# 密勒氏評論報

# The China Weekly REVIEW

Formerly Millard's Review

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## CHINA TAKES STEPS TO REDUCE TAXES AND PAY HER DEBTS

WHEN sovereign states and world powers such as Britain, France and Italy and some others we might mention deliberately default on their foreign debts and other world powers which it is unnecessary to mention run up vast unbalanced budgets with consequent increases in taxation, it is rather encouraging to record the fact that China is trying to reduce taxes and also to repay her defaulted debts. According to an article which Wang Ching-wei contributed to the current issue of *The People's Tribune* several provinces have already heeded the resolutions adopted at the recent national finance conference, presided over by Dr. H. H. Kung, recommending reduction of taxes. Kiangsi province, formerly headquarters of the red movement, took the lead by abolishing miscellaneous taxes to the amount of $250,000 monthly. According to Mr. Wang's statement several other provinces, including Anhwei, Hunan, Hupeh, Shantung, Hopei, Honan and Shansi are also instituting tax-reducing programs designed to relieve the burden of the people. In cases where the revenues from these taxes were devoted to necessary projects such as education, the central government has agreed to make a refund. Also it has announced that the tobacco and wine license taxes and the stamp tax revenues, instead of being monopolized by the central treasury, are in future to be apportioned to the various provinces and districts or hsiens. Space is not available for a complete reprint of Mr. Wang's article, but he cited the example of Kiangsu province where the authorities voted to abolish 42 different kinds of levies and taxes which previously had been collected. Hupeh province agreed to suspend collection of 27 kinds of miscellaneous taxes, while Chekiang broke the record of self-sacrifice by abolishing 280 different levies, most of which previously had been paid by the farmers and small merchants.

If the central government and provincial authorities are able to make good on this program it will do more to bring about a real improvement of conditions in China than anything which has been done in the past dozen years. It is no secret that these exorbitant tax levies have been chiefly responsible for the economic paralysis of the coun-

try and in consequence has been a greater breeder of communistic thought than all of the alien propagadists who have preached their creeds in this country. Much of the success achieved by the communists in winning support was due to the fact that they drove out the governmental authorities and abolished the exorbitant taxes which the impoverished peasant farmers had to pay. According to Wang Ching-wei's statement, more than 80 percent of the population of the country are peasants and the greater part of the national revenue has been obtained from them. Thus the people who get their meager living from the soil have been compelled to support about everything in the land. Of special importance in connection with the tax-reducing movement was the announcement that exorbitant rates on the railways also are to be reduced, a reform which was long overdue for freight rates in China are said to be the highest in the world. Actually it costs more to move a carload of freight from the Yangtsze valley to Tientsin, a distance of less than 1,000 miles than it costs to move a similar quantity of goods entirely across the United States over 3,000 miles of railways. This has had the result of forcing freight off the railways and on to the sea where foreign shipping lines have fattened on the business.

In addition to the tax-reducing program, the government also is striving to readjust its foreign obligations with the ultimate object of instituting refunding operations. According to the statement several of the railways have already taken steps to readjust and refund their defaulted debts and while the movement is still young, Mr. Wang declared that there already has been an improvement in the bond quotations of ten of the different railways. Mr. Wang made no mention of the Japanese Nishihara loans which make up the greater portion of China's defaulted obligations, but he said that the special committee of the Ministry of Finance which has been working on the matter will shortly be ready to submit its report for examination. Elsewhere in this issue of *The Review* appears an article by our Nanking correspondent which deals in detail with the railway construction and loan-refunding program; hence, as stated in the foregoing, there is definite evidence that something constructive is going on in the land aside from bandit-hunting campaigns and political intrigue concerned with Japanese aggression.

## CEYLON'S REFUSAL TO ENFORCE ANTI-JAPANESE QUOTA

THERE was much significance in the brief *Reuters* message from Colombo on July 20 stating that the Board of Ministers of Ceylon had refused to adopt the anti-Japanese quota on cotton goods because it would increase the cost of clothing for the poorer classes. The Board then informed the governor of the British colony, Sir Reginald E. Stubbs, that if Sir Philip Cunliffe-Lister, home colonial secretary, insisted upon the quota against cheap Japanese goods, he would have to take the responsibility himself for enforcing it. The refusal of the Ceylon cabinet to bar Japanese goods on the ground that such action would increase the cost of clothing for the poorer inhabitants was significant because it coincided with a recent statement of Singo Tsuda, president of the Japanese Kanegafuchi Spinning Company, that "no tariff, however prohibitive it may be, will be able to check the inflow of merchandise which is better in quality and cheaper in price."

Although great secrecy has surrounded the negotiations between the Japanese and Netherlands East Indies, it is apparent that a similar issue has also developed in that quarter, for a recent *Rengo* message stated that the native inhabitants of the islands demanded cheap Japanese goods and were opposed to a quota arrangement which would inevitably raise prices to the consumer. In view of this situation both the British and the Netherlands authorities must face the problem of domestic discontent in their colonial possessions in the event the barring of cheap Japanese goods raises prices for clothing on the part of the masses of the people. If the colonial authorities are able to bar Japanese goods and still keep down prices, all well and good, but if the quota arrangements now being made result in higher prices there is bound to be discontent culminating in revolutionary activities.

Since world prosperity now seems to be returning there is a possibility that renewed Occidental demand for Oriental products may increase purchasing power to such an extent that the native inhabitants may be able to pay more for their clothing. In this event there may be no complications resulting from the barring of cheap Japanese goods, but if the reverse is the case, there will be trouble and that shortly. The Japanese have been able to capture markets all over the world, previously monopolized by Occidental manufacturers, because their cheap goods appealed to the depleted pocket-books of native inhabitants who, because of the depression, could no longer afford to buy higher-priced goods produced in America or Europe. The Japanese therefore capitalized on the depression, to such an extent that the Occidental controllers of Oriental colonies were forced to take steps to protect their markets by putting the Japanese on a quota. If prosperity returns to the Orient the Westerners may be able to get away with it, but if the depression continues, there is certain to be a fresh crop of colonial uprising all around the fringe of Asia from China to India.

Another element that may save the Westerners is the possibility that the Japanese prosperity boom, based largely on the cotton and munitions industries, has reached its apex and may shortly begin to subside. Reports from the financial pages of the Japanese newspapers which have been reproduced in *The Review* recently, indicate that the Japanese industrialists are beginning to suffer from a malady which was largely responsible for the depression in the West—overproduction. Taking advantage of the economic crisis in the West, the Japanese industrialists thought they

could capture the markets of the world, but as usually happens they overdid it. Using subsidized ships, underpaid labor and a depressed currency, they flooded the world with their "cheap quality goods," but this brought the inevitable retaliation of tariff restrictions. Now it would not be surprising if Japan should experience a depression similar to that from which the West is beginning to emerge. And if it does come the Island Empire will be ill-prepared to meet it because their treasury already is bankrupt because of the extraordinary expenditures they have made on the account of the Manchurian adventure and their over-expanded military machine. Yasuke Tsurumi, member of the Diet who is well versed in Occidental affairs, made a speech before the Rotary club in Dairen late in 1931 when he told the enthusiastic imperialists there assembled that they had better make the best of their opportunities while the West was occupied with its domestic financial and economic complications, because when the West recovered it would be an entirely different story. The different story which he referred to now seems to be in process of evolving, for if prosperity really is returning to the Occident, the so-called "crisis of 1935" which the Japanese warlords have been talking about may shortly become an actuality. But it will be an entirely different crisis from that which they have been picturing to the Japanese people.

## SHANGHAI GREETS MRS. NELLIE TERRELL OF COLUMBUS, O.

MANY famous American women have visited China on good-will missions or tours of investigation, but we believe we are safe in saying that none has been accorded a welcome exceeding that extended to Mrs. Nellie Terrell of Columbus, Ohio, who arrived here about a week ago. Crowds, composed almost exclusively of Chinese numbering into the several hundreds have been crowding in to hear her lecture and ask her questions. Also, it should be stated that Mrs. Terrell's appearance here was not sponsored by the American Women's Club, and so far as we know she brought no letters of introduction from prominent senators or congressman. The interest she has been able to arouse among all classes of the Chinese people has been due entirely to her own interesting personality, for in one way at least Mrs. Terrell is probably the most notable American women—she weighs 783 pounds. Perhaps we have done her an injustice by using her family name, for when on the stage or at Hollywood where she frequently appears in the movies, she is known as "Jolly Nellie," and the name fits her well for she is jolly all the time, even in Shanghai's torrid summer climate, and better yet she doesn't worry about reducing. She eats and sleeps normally, has a perfectly good but rather diminutive husband who serves as her stage manager and on the present trip, her fifth around the world, she is taking her sister along for company. However, the sister, in a sense is also earning her way for she collects the tickets, each costing 40-cents, which the public puchases for the privilige of seeing this famous American woman and listening to the story of her life—how she weighed 5 pounds at birth and at twelve years only weighed 82. Since then, however, she has grown remarkably for she is only 26 years old now. She is not ashamed of her excess avoidupois, enjoys life, is intelligent, likes to travel, but also is happy to get back to Hollywood where she presides over a ranch and two limousines built to her ample measure—which, we might explain is the despair of dressmakers for Jolly Nellie is exactly 6-ft. 2-in. about the hips. We hesitate to say anything further about Mrs. Terrell for fear of being accused of succumbing to the spell of her press-agent, or perhaps her personality, but Shanghai in recent months has been favored by a number of interesting and famous Americans whose names do not appear in Who's Who and who, incidentally, are not interested particularly in cultural-uplift, hands-across-the-sea, or similar movements. The week preceding Jolly Nellie's appearance we had another famous American visitor who was an even greater attraction than Mrs. Terrell and her non-reducing exhibition. This man drew crowds in excess of 2,000 nightly by diving from a 100-foot tower into a tank which wasn't much larger than one of the new style bath-tubs. Then there was another American who came out here last winter and exhibited a 60-ton whale to the wondering multitudes. The last we heard of him he was back in the far interior somewhere still exhibiting his genuine Mobie Dick whale to countless numbers of Chinese who doubtless thought it was an American dragon. We are rather glad to see these Jolly Nellies and high-divers and what-have-you of the *genus Americana* in this part of the world for they are 100 percent genuine—and so far as we have been able to determine are not particularly interested in any movements, associations or institutes for the promotion of friendly relations about the world. There used to be a time when the Shanghai Municipal Council and the foreign chambers of commerce frowned on this sort of thing on the ground that it "lowered white prestige," but for some reason they have ceased to protest. Perhaps it is due to the depression and the involuntary admiration which the foreign merchants must have for anyone who can gather in a few honest dollars in these difficult and exasperating times when no one seems to want to buy locomotives, safety razors or chewing-gun.

## JAPANESE PROFESSOR'S ANALYSIS OF AMERICAN OPINION

PROFESSOR Akigi, formerely connected with the oriental department of Columbia University, N. Y. recently returned to Japan to accept a job as adviser to the Government-controlled South Manchuria Railway. In an interview reported in the bulletin issued by the Japanese military headquarters at Tientsin on July 16, Prof. Akigi said that he had delivered 650 speeches to various classes of Americans in

an attempt to make them understand the Far Eastern situation. The Japanese professor then offered the following analysis of public opinion in the United States with reference to Japanese activities:

*The Pacifists*— Those belonging to this group recognize the historical facts with regard to Japan's actions taken in 1931 and following, but they are opposed to Japan's subsequent military activities on the grounds that they endanger world peace.

*The Altruists*— This group bases its decisions on principles. They think that whatever their own country does is right, but whatever others do is regarded as unjust.

*The Women*— The women in the United States are organized into a party which tries to settle international problems in accordance with their own feelings. Since China is weak, they sympathize with China; but since Japan is strong they oppose her unconditionally.

*The Theorists*— The group tries to study all international problems theoretically and after investigation of facts try to reach decisions. They have many arguments on the Manchurian problem.

*The Scholars*— This group is made up of famous professors who try to further the influence of their country based on science. They contribute their views to the newspapers and magazines, but most of their views on the Manchurian question are nothing but empty discussions.

*The Provincials*—This group, represented by Rotary clubs and similar organizations does not have much influence on public opinion, but the opinions expressed by these locally influential people ,cannot however, be overlooked.

In addition to these groups, the Japanese professor said there were many others such as the socialists, communists, etc., which sometime exert influence on public opinion, hence he found it rather difficult to "extract real public opinion" on the Manchurian and other Japanese issues. In fact he said that the State Department also had considerable trouble in keep up with the trend of public opinion, but generally he was of the opinion that the so-called Stimson doctrine on the Manchurian issue was not popular. He said that recently there hadn't been much talk about Manchukuo, "hence it was necessary for Japan to convince the Americans so they would have a clear understanding of what is going on in the Far East."

Apparently, with the idea of "convincing" the Americans, as well as the Britons, the Tokyo Foreign Office on July 21 announced an appropriation of Yen 3,500,000 for the creation of a "cultural affairs bureau" which will establish branches in the United States and Great Britain. These branches will be presided over by Japanese "culture-diplomats," appointed by the Japanese Minister of Foreign Affairs. The plan also provides for the establishment of "chairs of culture" at various universities in both the United States and Europe. The Foreign Office announced that the funds needed for spreading information about Japanese culture "will be demanded in the budget estimates for the next fiscal year."

# Serious Problem Involved in the Present Dairen Negotiations

ELSEWHERE in this issue of *The Review* appears an article dealing with the circumstance which led up to the so-called Dairen Conference which opened on July 24. According to a dispatch through the official *Rengo* service the conference was held in a Japanese hotel at Dairen and was participated in on the Chinese side by Yin Tung, director of the southern or Peiping-Shanhaikwan section of the Peiping-Mukden railway. The Japanese side was represented entirely by officers of the Imperial Japanese Kwantung army, including Major-General Yasuji Okamura assistant chief-of-staff, Col. Seiichi Kita, chief of the second section of the army, and Col. Kenshiro Shibayama, military attache of the Japanese Legation at Peiping. No official statement regarding the outcome or trend of the negotiations had been issued when these paragraphs were written, but the fact that the Chinese delegate was compelled to go to Dairen, the Japanese fortified base in South Manchuria and deal directly with high officers of the section of the Japanese army which was responsible for the conquest of Manchuria, constitutes sufficient evidence of the seriousness of the situation now facing the Chinese people. Presumably Yin Tung will, in due course, return to Nanking with the final terms of the Imperial Japanese army for a settlement of outstanding questions.

What are the outstanding issues? There has been no official statement from either side as to what these "outstanding" issues are. The newspapers have mentioned the matter of reorganizing the police within the so-called demilitarized zone in north China, re-establishment of mail service, the withdrawal of Japanese troops from the zone

and vicinity of the Great Wall, the establishment of Chinese customs stations along the Wall, the return of various areas south of the Wall to Chinese control, the abolition of the Tangku truce signed in May last year which brought an end to Sino-Japanese hostilities over the Manchurian issue which began in 1931, the refunding of China's defaulted debts to Japan which amount, according to the Japanese statement, to approximately a billion dollars, and the recognitions of Manchukuo. Then, on top of all these things is the Japanese demand for a Sino-Japanese economic and military "bloc" or alliance, which, if consummated in accordance with Japanese ideas, would end China's existence as an independent state and make this country a protectorate of Japan. Prof. Bruce C. Hopper of Harvard University, who is well informed on the situation in the Far East stated that the recognition of all of Japan's "special rights" in China must result in the establishment by treaty of a Japanese High Commissioner in Nanking who would have extraordinary political and financial power, including the right to suppress Chinese boycotts against Japanese goods. Dr. V. K. Wellington Koo, an acknowledged leader among China's diplomats who has fought China's diplomatic battles at numerous international conferences, in a recent interview declared that the crisis now facing China probably is the most serious which the nation has faced in three centuries.

A *Reuters* report from Dairen on July 25 stated that the Japanese military authorities are insisting upon China's recognition of Manchukuo before they will agree to consider cancellation of the Tangku agreement, despite the fact that China may have carried out all of the terms of the pact.

It is indeed a gloomy prospect now facing the country for if the National Government at Nanking is compelled to accede to the Japanese demands, it means not only the complete collapse of the revolutionary movement begun by the late Dr. Sun Yat-sen in 1911 and the ensuing Nationalist movement of 1917, but the actual loss of a considerable portion of the country's most valuable territory and finally the subjection of the Chinese people to the yoke of Japanese imperialism for many years to come.

It requires no elaboration on our part to emphasize the seriousness of the crisis facing the nation. The *World Daily News*, a leading Chinese paper in Peiping, reported on July 20 that Gen. Hishikari, commander-in-chief of the Kwantung army and concurrently "ambassador" to the puppet state of Manchukuo, had demanded the complete cessation of all anti-Japanese activities in north China. Tracing the situation as it has developed since the signing of the Tangku truce on May 31 last year, the editor of the Peiping paper said that there was no question but what the Chinese delegates, granting they acted in good faith, were duped by the Japanese military delegates. The Tangku truce only stopped the open fighting between the opposing sides. Japanese aggression has continued, step by step. China hoped the resumption of railway traffic with Manchukuo would lead to a settlement of outstanding questions within the demilitarized zone and the ultimate abrogation of the Tangku agreement. But the Japanese were not satisfied and the adjustment of one issue has led to further Japanese demands of more and more seriousness from the standpoint of the welfare of the pople. Now comes the demand for the cessation of so-called "anti-Japanese" activities. Since the anti-Japanese sentiments of the Chinese people are entirely attributable to Japanese aggression, the Peiping editor inquired, "How can our government comply, even though it is willing to conciliate the Japanese militarists in every way possible?" Answering his own question, he declared that the Japanese warlords are only seeking an excuse for further aggression, realizing fully well that the Chinese government cannot accomplish the impossible. "If we accept the Japanese demands it will be tantamount to the signing of our own death warrant—we cannot sign it under any circumstances."

In this connection we also recommend perusal of another interesting viewpoint on this issue which is presented by a correspondent at Foochow, another section of China which also is faced with possible, if not imminent Japanese aggression.

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## Some Thoughts on Shaking Hands with Tokyo Warlords

BY CHEN FU-SHENG (陳福生)

After Akira Ariyoshi, Japanese Minister to China interviewed Gen. Chiang Kai-shek, Chairman of the Military Affairs Commission, and Wang Ching-wei, President of the Executive Yuan, it was forecasted that Sino-Japanese relations would take a drastic turn and China might even conclude an alliance with Japan shortly. Such speculation was groundless, but it is obvious that China is now in a dilemma. To ignore Japan's demands will invite further complications in our relations with Japan; to yield to some of her demands while detrimental to the interests of China many ease the strained relations and thus give China a breathing-spell. "Of two evils, choose the lesser one." So long as the red menace is not eliminated and national defense has not been built up, China, unable to make effective military resistance, has no alternative but to compromise. True, China is holding out an olive-branch but she is simply doing what the other countries have done. The United States, while "building up its defenses against the growing menace of Japanese militarism," makes conciliation moves at the same time. Great Britain, while "rushing through to completion the work on the Singapore base," attempts "to adjust the serious trade controversy by peaceful means."

It has been vaguely assumed that Nanking is merely compromising and procrastinating but it doubtless may come as a surprise to many to learn that Nanking is also building up her national defense. How Nanking is building her defenses the writer is not in a position to say, as the details are kept a secret. I, however, venture to suggest not only the possibility but also the probability that in the near future, a powerful, American trained air force of some 1,500 planes will be built up. In a few months, several thousand army commanders and officers will be efficiently trained by German military experts.

### Self-Preservation First Consideration

The present-day world is in an era of social, economic, and political experiment. England tries high tariffs; Soviet Russia, planned economy; America, the New Deal. All these nations though interested in Far Eastern affairs, have internal problems to solve. They do their utmost to consolidate and preserve their national strength; they are not yet in a position to curb Japan's militarism. Self-preservation is the first law of nature. With the hope of the world's intervention in the Sino-Japanese issue dwindling or perhaps lost our Nanking authorities are not to blame for their recent attitude toward Japan.

### The Kuramoto Incident

When the Kuramoto incident broke out, Japanese chauvinists intended to develop it into major proportions for ulterior purposes. They broadcasted to the world that Kuramoto was either kidnapped or murdered and that the Chinese government was solely responsible for his disapparance. They wanted to use the incident as a club to force demands on China. To their utter dismay, Kuramoto was alive. Had it not been for the heroic discovery of Kuramoto's whereabouts by Wei Tsung-tsin, a lowly coolie employed at the Sun Yat-sen Mausoleum, what the fate of China would have been nobody can tell. It is quite within the bounds of probability that Japan would have garrisoned Nanking and occupied Shantung and Fukien. The Kuramoto incident, although it made the Imperial Japanese Government supremely ridiculous, taught China a lesson. Unless and until China secures a modus vivendi and makes overtures for settlement of outstanding issues, Japan will take advantage of every opportunity to start military campaigns on any pretext whatsoever. This explains why the resumption of through traffic service between Peiping and Mukden was effected not long after the discovery of Kuramoto's hiding place.

Objections have been raised against the seemingly weak-kneed policy of the Chinese Government. Facts speak louder than words. As China today cannot put up any effective military resistance, the only advisable thing for her to do is to compromise. To criticize the government's foreign policy and to talk about armed resistance is idle because it leaves out of account the realities of the situation. Furthermore, all Chinese are responsible for the country's present predicament. Responsibility in this is joint, not single; relative, not absolute. It is perfectly unfair to lay all the blame on the government.

### National Salvation

If it is "hell" for anybody, it also is "hell" for everybody, to borrow Gen. Sherman's frank and truthful idiom. The loss of the Northeastern provinces is a national loss. It is frequently said that North or South China is in danger but it must be admitted that in case North or South China is in danger, the whole of China, not North or South China alone, is in danger. When North China trembles in the balance, South China can by no means live in peace, or vice versa. The whole nation encounters a nation-wide and unprecedented crisis; the nation as a whole must unite and save itself.

### New Developments in South China

It goes without saying that China must be unified so as to present a solid front against Japanese aggression. The leaders of the nation must sink their personal differences, unite, and strive for national welfare. Hitherto, the Southwest has been quasi-independent of Nanking. Very recently, the stronger men of the Southwest have changed their attitude; they have moved toward allegiance and wholehearted support of the Nanking government. Many seem to believe that the sudden change of the Southwest's attitude was due to Gen. Chiang's strongly worded ultimatum which he telegraphed to the Canton leaders a few weeks ago. I, for one, am of the belief that the Southwestern authorities have been prompted by a fear of Japan's contemplated invasion of South China and by a consciousness of the peril of the nation which has caused them to cooperate with the Central Government. This is a matter of gratification, as well as a source of hope. No nation can enslave China if she stands firm; no nation can take over China if she stands united against the Japanese enemy.

Foochow, July 24, 1934.

## U. S. Navy May Hold 1935 Maneuvers Off Coast of Alaska

Plans to hold the 1935 maneuvers of the United States Fleet off the Aleutian Islands, Alaska, are being considered in Washington. Recent reports stated that the U. S. Government is considering establishment of a naval base at Dutch Harbor, the first in Alaskan territory. Alaska has been receiving much attention during recent months from both the Army and the Navy. A supply ship went on an expedition to Alaska at the time when the main fleet proceeded to the Atlantic several month ago. Ten large Martin bombers of the U.S. Army Air Corps started from Washington, D. C., during this week and successfully made the trip to Alaska. The army machines are bomber monoplanes lately acquired from the Glenn Martin factory at Baltimore and are powered with twin Curtis Cyclone engines. Each plane has a flying radius of 1,500 miles with full armament. The Navy planes have also made he trip.

### President Roosevelt Promises Bigger Navy

Speaking to the personnel of the U.S.S. *Houston* July 22, President Roosevelt promised officers and bluejackets that within four years the United States Navy would be built up to the maximum allowed by treaty. Stating that Congress and the American people were proud of the Navy, the chief executive added that he would devote his aid to the realization of the naval construction programme.

### William P. Sims Sees Dark Outlook for World Peace

William P. Sims, foreign editor of the Scripps-Howard Newspapers, who passed through Shanghai recently in the course of a round-the-world-tour, in an interview on his return to the United States said that the outlook for world peace and understanding is darker than he has ever seen it in his 26 years' experience in the foreign field. Aside from Russia, perhaps, he said the United States is seen abroad as having more to lose through Japan's hegemony over China than any other power; for this reason talk of possible conflict between these two countries continues; and for that reason too Europe is inclined to stand back and let the United States take the lead in opposing Japanese aggression in the Far East.

If Italy carries out her plan to build two 35,000-ton men-of-war, France will be forced to denounce the Washington Naval Treaty, since the security of France demands a navy equal to those of Germany and Italy combined, the *Washington Star* declared July 21. The British Admiralty, the newspaper pointed out, is attempting to dissuade Signor Benito Mussolini from his plans, which are in direct opposition to the British proposals to reduce the individual tonnage of battleships from 35,000 tons to 25,000 tons. On the other hand, the paper added, the Admiralty believes that Mussolini is bluffing with an eye on the coming naval conference, so that in promising at that time to abandon the construction of ships which exist only on paper, Italy will be in a position to obtain absolute parity with France.

The European political situation, especially concerning the proposed "Eastern Locarno" Pact, continues to form the subject of interesting comment. A Polish semi-official news agency points out that there is no ground for the alarmist rumors which have been spread in France accusing Poland of adopting a waiting attitude, and stating that the strength of Franco-Polish relations cannot be undermined by any diplomatimatic move. Important conferences have been held in Rome by Signor Mussolini at which the proposed Pact was discussed. German opinion, as reflected by one of the leading Berlin newspapers, is that the Pact has an especial interest for Japan, as Soviet Russia, in agreement with France, is scheming to prevent any attack in the rear in the event of a Russo-Japanese clash. It is asserted that Russia would gain complete freedom of action against Japan, but that Germany must decline to be drawn into any direct or indirect entanglement concerning a possible Russo-Japanese conflict.

The British Navy League, in a statement July 21, insisted that the British Government, at the forthcoming Naval Disarmament Conference, should retain complete freedom as regards cruisers and smaller craft.

Italy shortly will definitely abandon Germany to her fate unless the Reich's Government is prepared to guarantee immediate cessation of acts of terrorism throughout Austria, the *United Press* correspondent at Rome telegraphed July 23.

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## Ambassador Saito Denies He Proposed Non-Aggression Pact to U.S.A.

Hiroshi Saito, Japanese Ambassador to Washington, has made a report on existing political and social trends in the United States in a report handed to Foreign Minister Hirota at Tokyo last week. In an interview July 17 he stated that the report that Japan had proposed to conclude a non-aggression pact with the United States is entirely unfounded. There is no need to conclude such a pact under existing circumstances, he said.

# Future of North China Hinges on the Outcome of Sino-Japanese Conference at Dairen

High Lights in the Events of the Week:

1. Sino-Japanese Issues to be Thrashed out at Dairen Conference
2. Japanese Propose Construction of Three Trunk Railways
3. General Chiang Summons Five-Province Communist-suppression Conference
4. Panchen Lama to Return to Tibet by Over-land Route via Chinghai
5. Nanking Cabinet Crisis Easier as Result of General Chiang's Mediation
6. Southwest Leaders Deny Canton-Nanking Understanding

Considerable significance is being attached to the sudden departure from Shanghai for Dairen July 21 of Ying Tung, Managing Director of the Peiping-Liaoning Railway, following an important discussion he held here the previous day with Tang Yu-jen, Vice-Minister of Foreign Affairs; M. Arino, First Secretary of the Japanese Legation and Li Tsi-yi, Advisor on foreign affairs of the Fukien Provincial Government. It is understood that Mr. Ying is being entrusted with important missions in connection with the Sino-Japanese situation in North China, upon the success of which depend the peace of North China in future and the decision of Gen. Huang Fu to return to his post at Peiping. The main problems, which Mr. Ying will discuss with the Japanese authorities after his arrival there, are said as follows: 1. Reorganization of the Peace Preservation Corps in the Luantung Demilitarized Zone. 2. Withdrawal of Japanese garrison troops along the Great Wall Passes, and 3. Abrogation of the Tanku Truce Agreement.

Mr. Ying will first hold preliminary discussions with Col. Shibayama, military attache of the Japanese Legation in China. If the preliminary discussions prove successful, either another Sino-Japanese conference will be held at Dairen or Mr. Ying will proceed to Changchun to confer directly with General Hishikari, Commander-in-Chief of the Japanese Kuangtung Army, to seek a settlement of the above-mentioned problems.

In connection with the reported Sino-Japanese conference at Dairen, the *Osaka Mainichi* reports that China will propose the follwing to be discussed at the conference:

1. The withdrawal of Nippon guards from Chehochiao and Chienchangying.
2. The withdrawal of the Manchurian forces at Malanku.
3. The control of unauthorized Nippon and Chosenese elements within the demilitarized zone.
4. The stationing of a newly organized special police force in the area concerned.

Nanking is said to have already appointed Yin Tung, Yin Ju-keng and Lei Shou-jung as delegates to the Conference.

The Tokyo Foreign Office, in a statement issued July 21, declared that it had not received any suggestion from Nanking concerning the alleged desire of the Nanking Government to see the Tangku Agreemnt abolished, reported a *Reuter* telegram from Tokyo. It was semi-officially declared that Japan seeks in North China a state of things whereby Japanese and Manchurians are able to live amicably side by side. If this can be assured, Japan will agree, otherwise such a request will not be considered.

Despite the earnest pursuasion of President Wang Ching-wei and General Chiang Kai-shek, General Huang Fu, Chairman of the Peiping Political Affairs Readjustment Commission, is reported to be adamant in his determination to resign from his post. Interviewed at Shanghai July 19, Tang Yu-jen, vice-Minister of Foreign Affairs, said that Gen. Huang was in a very depressed mood and he had expressed his determination not to return to Peiping. The reason for General Huang's unequivancal decision to resign, Mr. Tang explained, is that the public has failed to grasp the real and fundamental problems in North China, but is merely critical over the side issues. For this reason, General Huang finds the whole situation extremely difficult of solution. General Huang, in his telegram of resignation to the Government, has explained in detail the difficulties attending his position, which, Mr. Tang said, are fully appreciated by the Central Authorities. However, Mr. Tang concluded, the Government is still endeavoring to pursuade him against resignation and urge him to return to the North, resuming charge of the affairs there.

The *Chekiai* agency reports that taking advantage of the suspension of negotiations for the settlement of the pending issues in the Luantung Demilitarized Zone, the Japanese military authorities in Manchuria are actively increasing their garrison forces along the various Great Wall Passes. According to military intelligence reports received at Peking July 18, formerly no Japanese troops were stationed at Lengkow, but suddenly in the night of the 17th, one full Battalion of Japanese soldiers arrived, armed with machine guns, small field-pieces and tanks. The Japanese garrison at Chalingkow has been increased by one company and two battalions of "Manchukuo" troops, carrying with them light and heavy machine guns with the evident intention to establish permanent station there. Under the pretext that bandits are planning an attack on them, the Japanese garrison authorities at Hsifengkow have declared martial law in the district and increased their strength by 100 Japanese soldiers, one battalion of "Manchukuo" troops and a company of "Manchukuo" police. The Japanese troops at Kupeikow are busily engaged in erecting new barracks which will accommodate more of their fellows who are reported to be arriving there shortly. Malanyu, has now virtually become a Japanese air base. In addition to the planes which have already been stationed there, twelve more planes have recently arrived from Chinchow and are daily conducting observation flights in the vicinity.

**Chinese Delegates—(Top Downward) Yin Tung, Yin Ju-keng, And Li Shou-yung, Who Will Represent China if the Proposed Dairen Conference Between Japan And China Is Held.**

It is learned that General Hishikari, Commander-in-Chief of the Japanese Kuangtung Army, recently summoned an important conference of high officers of the Army Headquarters at Dairen, as a result of which he has telegraphed to the Japanese Government, recommending the adoption of a new policy vis-a-vis the Manchurian situation.

The Governor and vice-Governor of the South Manchurian Railway, having concluded discussions with the Japanese Government authorities at Tokyo regarding the Japanese policy in Manchuria and North China, are returning to Dairen immediately. As a result of the discussions, the following decisions are reported to have been reached:

1. Conclusion of a Pact for Economic Co-operation between "Manchukuo" and Japan.
2. Intensive and extensive development of war industries in Manchuria.
3. Re-definition of the relations between the South Manchurian Railway and the Kuangtung Army in order to avoid further complications in future.
4. Plans for economic co-operation with North China be actively proceeded with and carried out.

**Japanese Propose Construction of Three Railways in North China**

Under the pretext of fostering economic co-operation between China and Japan, the Japanese authorities are reported to be inducing the Chinese Government to undertake construction of three new railways and offering to supply the necessary funds, materials and technical assistance for the work. The three proposed railways are:

1. Tangku-Shihchiachwang Railway: This Line will be about 400 miles in length and will be of great military importance, as it establishes a direct route from the Sea to the hinterland in North China, joining with the Peiping-Hankow and Chengting-Taiyuan Railways. Economically, it will also be of tremendous value, as Japanese goods can be directly transported from the Sea into North and Central China provinces via the Line.

2. Tsinan-Shunteh Railway. This Line is known as "the Shun-Tsi Railway" listed in the notorious "Twenty-One Demands." The object of this Line is to extend the present Kaochow-Tsinan Railway in order to facilitate military transportation and economic penetration from the Shantung coast to Central China.

3. Paotaochen-Sinkiang Railway: Construction of this Line is proposed for the purpose of extending the Japanese political and economic influence into the Northwest to counteract the Chinese efforts in developing that territory. Owing to the extreme length of the Line, it will be divided into several sections, namely, Paotao-Ninghsia Section, Ninghsia-Lanchow Section and Lanchow-Sinkiang Section. The purpose of this Line is to extend the present Peiping-Suiyuan Railway, which, when completed, will form the trunk line from North to Northwest China. In view of the Japanese preparations for war with Russia, the Line will be of vast strategic importance, as it brings the Japanese troops from Manchuria directly to the Russian Northeastern border.

According to information from the Peiping-Liaoning Railway Administration, the total number of passengers travelling on the through service, from the 1st to the 10th inclusive, was 5,054.

Despite the announcement of the withdrawal of Japanese armed guards on the through trains, Japanese soldiers continue to board the trains at Tangku. Protests against their presence with the Japanese authorities have been of no avail, the latter replying that according to the 1901 Protocol, the Japanese garrison troops have perfect right to ride on the trains of the Railway.

With reference to the various irresponsible statements made by the Chinese press on the bombing outrage at Chating, the Headquarters of the Japanese garrison in Tientsin has issued the following statement:—

After alleging that the Chinese papers have indulged in irresponsible comments circulated to defame the Japanese Army, the statement says:

"From the standpoint of Sino-Japanese relations the Japanese Army cannot allow this to pass without a word of protest and has decided to call the attention of the Chinese authorities to this matter, saying that the Japanese will take such action as they deem fit and necessary in the circumstances."

Official denial that Akira Ariyoshi, Japanese Minister to China, had submitted his resignation, was issued by the Japanese Legation at Peiping July 20. A report to that effect was circulated by a Chinese news agency, stating that Mr. Ariyoshi had been forced to do so because of his unpopularity in high Japanese military circles.

A *Dempo Tsushin* telegram from Nanking published in the *Japan Chronicle* says that Dr. Wellington Koo, Chinese Minister to France, who recently returned to China, is now working, on Britain's initiative, for the conclusion of a multilateral non-aggression pact among the Powers including Japan, America, Soviet Russia and China. Dr. Koo's plan is believed to be along the following lines:—

1.—To conclude a non-aggression pact among the Pacific Powers, such as Japan, America, Russia, China, the Philippines, India and the Netherlands Indies so as to contribute to the settlement of the Pacific problem. If Japan agrees to such a multilateral non-aggression pact, favorable consideration is to be given to the Manchukuo problem.

2.—In the event of Japan's refusal to participate, a mutual security treaty to be concluded among the Pacific Powers to the exclusion of Japan for the joint and mutual defence of the weaker Powers.

In this connection, the Tokyo *Jiji* represents the Foreign Office as regarding the reported scheme with disfavor. In the opinion of the Foreign Office authorities, the Nine Power Treaty and other treaties already in existence are sufficient for the security of the Far East.

Martial law has been informally proclaimed in the Luantung District as a precaution against the activities of undesirable elements in that area.

Reports that Marshal Tuan Chi-jui, leader of the Anfu clique, will succeed General Huang Fu as the political chief in North China could not be confirmed in official circles in Peiping. The general belief is that Marshal Tuan, who has now reached the good old age, is most unlikely to resume political activities.

The report that the Japanese Government has formally approached China for the liquidation of Japanese loans is entirely without foundation, so declares a spokesman of the National Government.

The Government has received a telegram from Pince Teh of Inner Mongolia reporting that more than a thousand Japanese and Koreans well versed in the Chineese language have secretly proceeded to different Banners in Inner Mongolia disguised as merchants. Their mission is to conduct anti-Chinese propaganda among the Mongols and to induce them to join Manchukuo. Prince Teh said that he had requested different Princes in Mongolia to look out for these disguised merchants and to keep a close watch over their movements.

The Ministry of Foreign Affairs has established a Special Office for Foreign Affairs in Kalgan, capital of Charhar, with Yo Kai-shen as Special Commissioner.

Some of Japanese foremost diplomats are now gathering at Tsingtao for the Summer vacation. It is reported that some sort of a conference will be held there among those who are visiting the Shantung Summer resort including T. V. Soong, Dr. Wellington Koo, Dr. W. W. Yen and Dr. C. T. Wang to exchange views regarding the present diplomatic situation.

General Han Fu-chu, Chairman of Shantung, has decided in future to personally try only those cases relating to military affairs, opium, bandits or public functionaries. All civil suits brought by the people will be tried as usual by the Courts.

**General Chiang Sommons Five-Province Bandit-suppression Conference**

A five-province Communist-suppression military conference has been called in Nanchang by General Chiang Kai-shek. General Liu Chih, Pacification Director of Honan, General Chiang Ting-wen, Commander-in-Chief of the Fukien Forces, and General Chang Chun, Chairman of Hupeh, will shortly go to Nanchang by airplane to attend the conference, while General Ho Chien, Chairman of Hunan, and General Chen Chi-tang, Kwangtung army commander, will send their representatives in the persons of Ho Hao-jo and Yang Te-chao respectively. At the conference, measures for co-operation to hasten the anti-red drive in the five provinces will be mapped out.

Following the general offensive launched by Government troops, the position of the Communists in Fukien, Kiangsi, Hunan, Kweichow and Szechuen is becoming more and more precarious. In Kiangsi, the Communists

have completely lost their best strongholds, namely: Kwangchang, Chienning, Ninghua on the Kiangsi-Fukien border and Chunmenglin in southern Kiangsi. The 1st, 3rd, 5th, 9th and 7th Red army corps, once the flower of the Red Army, have been badly routed at the hands of the Government forces, each division having only from 300 to 1,000 men left.

The Government troops in Fukien have already arrived in the outskirts of Changting, while the Cantonese troops from Chunmenglin have reached a point not far from Huaichang, the last fortified stronghold of the Communists. From the north the Government troops under the direct command of General Chiang Kai-shek are swooping down from Kwangchang and they are rapidly approaching Shihchen and Ningtu. The 6th Government army, after their capture of the Red stronghold at Lungkang, have arrived at Kulungkang, a point between Hsinkuo and Ningtu. At the same time the Hunanese troops on the western front, which had been concentratting at Taiho on the Kiangsi-Hunan border, are advancing eastward and are attacking Hsinkuo from the west. The Government forces are making steady advances and they will launch a decisive drive against the Reds as soon as the order for a general attack is issued by Gen. Chiang Kai-shek.

In the north-west of Kiangsi, the Communist band under Fang Chih-min has established its headquarters at Hengfeng. This band has been active on the Anhui-Chekiang-Kiangsi border districts and indulged in looting and pillaging. For a time this band was the terror of the border districts. But after General Chiang Kai-shek had ordered troops under Generals Chen Tiao-yuan and Chao Kwan-tao to assume full responsibility for the suppression of this band of Communists, the latter suffered a serious setback and Hengfeng is reported to have already been recaptured by the Government forces. These Reds have retired to Kehyuan, which city is now being attacked by the Government forces.

Another strong Communist band in western Kiangsi is the one commanded by Kung Ho-chung, who had been extremely active on the Kiangsi-Hunan border. But this band has been practically routed following the death of Kao Yung-shen, Red Garrison Commander of the Kiangsi-Hunan-Hupeh border of the "Soviet Government."

A third band is under the command of Hsiao Keh and consists of three Red divisions and their field of activities was Yunghsin, Lienhua, Taoho and Ningkang on the Hunan-Kiangsi border. Early this month General Ho Chien of Hunan ordered a surprise attack on this band and they were practically routed.

In Szechuen the Communists have also met with serious setbacks. It is believed that before long the Reds will be starved out as their food supplies are believed to be running short. The Reds there have also encountered serious handicaps at the hands of the so-called "goddess mother corps." The members of this society are all armed and they made it a point to attack the Communists. So far the members of "goddess mother corps" have captured 2,000 rifles, five machine guns and more than ten thousand rounds of ammunition. The members then destroyed the weapons before the image of the "goddess mother." This corps, however, is also refusing to take orders from the Szechuen provincial authorities. The leaders of the society declare that they work for the "goddess mother" and no earthly man should issue orders to them.

General Tuan Chi-jui, one-time Premier during the defunct Peking regime, arrived at Kiukiang July 20. He will spend the rest of the summer at Kuling.

Acting on the request of General Chang Hsueh-liang, W. H. Donald, his adviser, left Hankow July 18 for Nanking. His trip is connected with the organisation of the projected Central China Economic Investigation Mission sponsored by General Chang.

The Naval Ministry has despatched three gunboats to the coast of Fukien to assist in the suppression of the bandits. In view of the fact that brigands in the Loyuan-Hsiapu area, eastern Fukien, are growing bolder in their activities, two gunboats (Funing and Suining) have been ordered to stand by at Loyuan, while the Yungchi is to patrol the coast near Hsiapu.

Detectives and special service men attached to the Bureau of Public Safety in Shanghai are still baffled as to the whereabouts of Chow Heng-lai, important leader in the Chinese Communist Party who is reported to have come to Shanghai to plot for the disruption of the anti-communist campaign in Kiangsi. Chow is described as a dangerous figure, having held various important positions in the Chinese Communist Party. A price of $200,000 is said to have been placed on his head.

### Panchen Lama to Return to Tibet by Over-land Route Via Chinghai

The Panchen Lama, "Living Buddha" of Tibet, in a press interview at Peiping, announced that he has definitely decided to return to Tibet in the immediate future, with a view to bring about closer cooperation between Tibet and the rest of the country. As soon as traffic is restored on the Peiping-Suiyuan Railway which has been dislocated by the floods, he said, he will proceed to the territory of the Ordos (Yeghe Jo) League, where he will give a series of Buddhist sermons. After a month's stay there, he will return to Lhassa, capital of Tibet, via Chinghai (Kokonor). During his recent visit to the Capital, the Panchen Lama continued, he has conferred with the various leaders of the Central Government on the question of his return to Tibet. As the result of those conversations, definite measures for cementing closer relations between Tibet and China Proper were decided upon, and will be carried out faithfully after his return to Lhassa. "With a view to strengthening the frontier defences," he said, "I will also explain to the people of Tibet the policies of the Central authorities and their solicitude for the welfare of Tibetans."

According to a *China Press* report, when the Panchen Lama finally sets out on his journey to his homeland, he may be accompanied by four European Buddhists, two of whom are women. The curious fact about them is that they are all of British nationality and some of them speak the Tibetan language. They are: Basil Grump, Graham Gordon Cleather, and Miss C. Davey. The paper reports that the quartet of European Buddhists have already been received by the Panchen Lama at Peiping.

General Huang Mu-sung, Special Commissioner to Tibet, in a telegram to the Mongolian and Tibetan Affairs Committee at Nanking, reports his arrival at Enta, northern Sikong, on the 18th inst.

Writing from Yeachi, Yunnan, June 11, the *North China Daily News* correspondent states that a few changes have taken place along the Sino-Tibetan front in the Batang —Yen Chin area of the new Sikong Province. The revolting Bong Da Tibetans met with defeat at the hands of the Tibetan government troops. Driving their flocks of sheep and goats and their herds of yak quickly into the high mountain fastnesses, they fled, with their families to the protecting arms of the Chinese military forces at Batang.

Trade is paralyzed while the two armed camps are maintained. The Lhasa troops demand the return of the three cannon carried out of Tibet by the fleeing Bong Da troops, offering either silver or the return of Yen Chin with its salt wells to the Chinese if the cannon are returned to them.

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A *Trans-Ocean* message from Moscow July 18 states that the fugitive Chinese Mahommedan rebel, Gen. Ma Chung-ying, who recently escaped across the Soviet frontier just ahead of the pursuing cavalry and who was interned, was today transferred to Tashkent. The general and his escaped bodyguard of 70 crack horsemen are expected to ask the Soviet Government to release them in order to make a journey to Europe or the United States. The Chinese Government, however, has demanded that the Soviet Government should hand over Gen. Ma to China to stand trial for high treason.

In a telegram to the Central authorities, General Sheng Shih-tsai, Defence Commissioner for the Sinkiang Border, reports that the Mohammedan rebels under Ma Chung-ying, after suffering repeated reverses at the hands of the Pro-

vincial Forces, have been reduced to less than 3,000 men. These are fleeing in the direction of Hotien (Khotan), southern Sinkiang. With peace and order being restored in the province, the Sinkiang authorities are turning their attention to the development of communication facilities, General Sheng reports.

In connection with the flight of the Mohammedan Gen. Ma Chung-ying into Soviet Russia and his internment there by the Soviet authorities, the *North China Daily News* comments:

General Ma Chung-yin's flight into Soviet Russia where he has been interned ends another chapter in the confused history of Sinkiang. General Shen Shih-tsai appears to be in undisputed control of the province and is likely to remain in control provided he is able to make peace with the Soviet authorities, whosee influence over various events in the province has not been difficult to perceive.

The paper alleges that General Sheng was assisted by the Soviet authorities who furnished him with artillery and aeroplanes and that he increased his White Russian detachment, largely by what was tantamount to conscription, the Russians being threatened and bullied into joining, although most them were peasants. Incidentally, the paper remarks, the lot of the Russians in Sinkiang is worth of attention. Homeless and penniless, but most of them being peasants and preferring to follow their agricultural pursuits, they appear to have been the butt of all the military leaders in the province. Both sides recruited them, or better still, pressed them into service knowing they were largely defenceless and the present controller of the province stands out least distinguished in the observance of promises made to them for their military support. The future of these refugees is even darker now that Gen. Shen is in office, the paper concludes.

**Nanking Cabinet Crisis Easier as Result of General Chiang's Mediation**

General Chiang Kai-shek is mediating in the dispute between the Executive Yuan and the Control Yuan over the case of impeachment of Ku Meng-yu, Minister of Railways. General Chiang suggests that neither side should further express their views and leave everything to the settlement of the Disciplinary Commission. The Generalissimo also suggests that the proposal brought up by the Central Political Council for the revision of the regulations governing impeachments by the Control Yuan should be temporarily shelved and be left to the settlement of the Fifth National Party Congress.

In accordance with the advice of General Chiang, President Yu Yu-jen has instructed all members of the Control Yuan to refrain from further press interviews or issue of any further statements regarding the impeachment against Minister Ku.

Answering the explanations made to Chinese pressmen in Shanghai by Wang Ching-wei, President of the Executive Yuan, regarding the impeachment of Ku Meng-yu, the Control Yuan issued a statement July 18 opposing modification of the impeachment procedure and maintaining its right to submit the text of the impeachment to the press prior to its going through the proper channels. The Control Yuan also announced its opposition to the power of the Central Political Council to reconsider the impeachment decision.

Mr. Wang, when interviewed by Shanghai newspapermen, stated that publication of the text of the impeachment had given Mr. Ku no chance to exonerate himself and the issuance of the text by the Control Yuan had been contrary to instructions from the Central Political Council, to whom all decisions made by the various Yuans must first be submitted.

On the recommendation of the Control Yuan, the National Government has issued a circular order enjoining that all cases of corruption or dereliction in official duty or violation of law among public functionaries must be forwarded by the various organs concerned to the Control Yuan and the various disciplinary organs concerned for disposal.

In response to the invitation of General Chiang Kai-shek, President of the Military Affairs Commission, President Wang Ching-wei of the Executive Yuan is reported to be proceeding to Kiangsi early in August to confer with General Chiang on high affairs of the state. Taking advantage of the trip, President Wang will also call on Lin Sen, Chairman of the National Government, who is now spending the Summer at Kuling. It is learned that Dr. H. H. Kung, Minister of Finance, is also leaving for Kiangsi next week to participate in the discussions.

General Huang Shao-hsiung, Minister of Interior, arrived at Shanghai July 18 from a prolonged trip to South China. Interviewed on board the ship, General Huang remained reticent regarding the outcome of his mission to the South. He said that the purpose of his trip was merely to visit his native place and that although he had seen Generals Chen Chi-tang, Li Tsung-jen, Pai Tsung-hsi and other Southwest leaders, he had only discussed with them reconstruction problems, politics having not been touched upon. General Huang denied knowledge of the report that Hu Han-min, formerly President of the Legislative Yuan, is planning to make a trip abroad. He said he called on Mr. Hu at Hongkong, but the call was merely a courtesty visit and without any political significance.

Mr. Sun Fo, president of the Chinese Legislative Yuan and son of the late Dr. Sun Yat-sen, admitted that he was hopeful of conferring with President Roosevelt on Sino-American affairs, reported a *United Press* message from Honolulu July 18. The Chinese leader declined to reveal the subjects which he would like to discuss with the President, but it was considered doubtful whether he would discuss diplomatic affairs with Mr. Sun, even informally, inasmuch as he is determined to make his visit to Hawaii purely a vacation.

The sentence of the Chinese Communist leader, Chen Tu-hsiu, for 15 years's imprisonment, has now been reduced to 8 years by the Supreme Court at Nanking.

**Southwest Leaders Deny Canton-Nanking Understanding**

*Reuter* reports from Canton that the political gulf separating Nanking and Canton appears to be still very wide and there is no definite indication that it may be filled shortly as a result of the recent political missions to Canton. Reports concerning the prospects of an early rapprochement are described by official circles at Canton as pure propaganda. Official circles emphatically denied the report that Hu Han-min had agreed to take a trip abroad so as to make way for a Nanking-Canton rapprochement.

The *North China Daily News* Correspondent at Hongkong writes on July 18 that in view of the repeated requests of Nanking leaders for Hu Han-min to return to the capital and give his services to the National Government, Mr. Hu's secretary has, on his behalf, issued a statement on Mr. Hu's views on the political situation.

"Even if General Chiang Kai-shek, President of the Military Affairs, send a delegate to see Mr. Hu, he will decline the offer," the statement said. "Mr. Hu does not care for a high official post, but what he insists is the enforcement of his policies. In that event he would consider the return to Nanking. Mr. Hu has no regard for personal consideration but expresses his views based on the welfare of the Kuomintang and the nation. Because of his standing, he will not manoeuvre for political office or give up his principles in order to become president of the Executive Yuan."

The *China Press* reports that all problems between Nanking and Canton will be ironed out at an enlarged meeting of representatives of the Central Government and the Southwest to be held at Canton. The convocation of the conference was proposed by Gen. Chen Chi-tang and favored by a majority of the political and military leaders of the Southwest. An invitation will be issued in the names of Generals Chen, Pai Chung-hsi and Li Tsung-jen, to General Chiang Kai-shek, President Lin Sen, Wang Ching-wei and Sun Fo of Nanking urging them to send representatives to attend the meeting. Among the questions to be discussed are the following:—

1.—The abolition of the two South-west organs.

2.—The future movements of C. E. C. members now in Canton.

3.—The election of delegates to the Fifth National Party Congress.

4.—Reorganization of party and military organizations in the South-west.

5.—Extension of Government authority over Kwangtung and Kwangsi.

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The Sino-British Conference in Hongkong for the revision of the Canton-Kowloon Railway Agreement is making satisfactory progress, according to a *Reuter* report July 20. It is learned that an agreement has been reached by the delegates where the distribution of receipts for through traffic will be as follows: Chinese 72 per cent., British 28 per cent. A Chinese delegate said that until the Nanking Government gave its final approval, no statement concerning the proposals at the conference could be made. There are still a number of technical matters which have to be agreed upon, and these have been submitted to the technical advisors of the two parties for approval. The main question, however, is the financial aspect, but it is anticipated that the figures arrived at will be acceptable to both sides. The Kowloon-Canton Railway is 110 miles long, of which 21 miles comprise the British section, from Kowloon to Shumchun station. Since the Railway was opened in 1911, the working contract has provided that the British section receive 35 per cent. of the profits. The main point brought up by the Chinese delegate is that the profits from the railways should be distributed according to the mileage operated by the British and Chinese.

Another civil war has broken out in Kweichow. While two divisions of Kweichow Provincial troops under the command of Chiang Tsai-tseng and Liao Chung were attacking the Communists under Ho Lung in north-eastern Kweichow, the troops under General Wang Chia-lieh, the Provincial Chairman, suddenly attacked the former from the rear and succeeded in disarming a portion of the opposition. As a result the troops of Generals Chiang and Liao abandoned their position and withdrew to the Kweichow border.

Dr. Wang Chung-hui, Judge of the Permanent Court of International Justice at The Hague, in a statement to the press July 22, emphatically denies reports that the South-western authorities have decided to appoint him a member of the South-western Political Affairs Committee, so that he may remain at Canton to look after diplomatic matters. During his recent visit to Canotn, he says, he merely discussed with the South-western leaders the latest developments in the international situation. No other questions were brought up. Dr. Wang also expressed gratification over the remarkable progress achieved by the Kwangtung Provincial Government in the work of reconstruction.

With reference to the order of the Canton Government requiring the International Savings Society and the Franco-Chinese Savings Society to furnish necessary securities, *Reuter* reports from Canton July 20 that the I. S. S. and the Canton authorities have come to an agreement, whereby the I.S.S. has acquired from the Municipal Bank a newly constructed building, on the Bund at a cost of about $700,000 The authorities are said to be satisfied that such an investment fulfills the government's security requirements. The Franco-Chinese Savings Society has also been permitted to resume operations on payment of a cash guarante of $30,000 to the Government.

# Chinese Press Urges Rejection of Japan's Proposal for Economic Co-operation

Commenting on the reported Sino-Japanese conference at Dairen, the *Sin Wen Pao* points out that Japan would propose economic co-operation between China and herself, in exchange for the abolition of the Tangku Truce Agreement. The paper urges that China should be firm in rejecting such a proposal, but should insist on the fulfilment of the obligations arising out of the Tangku Agreement on the part of Japan. The paper says:

"According to press reports the Japanese authorities are proposing a Sino-Japanese conference at Dairen, at which Japan would propose economic co-operation between China and Japan in North China. The Japanese point out that unless China agrees to the Japanese proposal, they will not agree to the abolition of the Tangku Agreement. It may be pointed out that the Tangku Agreement provides that the Chinese troops be withdrawn to the line agreed upon at the Tangku Conference and that they should not advance into the said area in the future.

"The point to-day is not whether the Tangku Agreement should be abolished but whether there has been fulfilment of promises on the part of the Japanese as provided in the Agreement. An agreement must be binding on both sides. If one party to the treaty must carry out its stipulations, there is no reason why the other party should be free to break it. So the Chinese authorities in North China to-day instead of demanding the abolition of the Tangku Pact should demand that the Japanese to carry out their obligations arising out from the document. So the right thing for the Chinese authorities to do is to take up the matter with the Japanese squarely and should not be afraid of the Japanese. Now the Japanese are demanding economic co-operation between China and Japan in North China. The Chinese authorities should be firm in rejecting the proposal. If the same weak-kneed policy is followed, pretty soon Hopei will go in the same manner as Manchuria."

Pointing out that there will be endless complications in North China in future, the *Shun Pao* observes:

"In their aggression on North China, the Japanese have followed three different steps. The first is to occupy all strategic points in the North. This step has already been accomplished with the Japanese occupation of the Great Wall. The second step is to form a semi-circle around North China and to swoop down upon it any time they choose. This step is now in progress as is evidenced by the Japanese occupation of Malangyu and eastern Chahar. The third step is to expand Japanese invisible influence in the North. This includes the bribing of traitors, protection of smugglers and the giving of support to the bandits in the Luantung district. Now that Japan has occupied the Great Wall it is too late for China to counter-act the Japanese first step. The present military strength of China does not permit her to drive out the Japanese from Chahar, but she still is able to counter-act the third step of the Japanese which is now under way. If China could succeed in preventing the Japanese from carrying out their third step it will do a great deal for North China. But we are positive that the Chinese authoritiies have not yet formulated any scheme to counter-act this menace and even if China brings up certain measures at the forthcoming negotiations the Japanese will not recognize them."

Commenting under the heading of "Sinkiang—After the Defeat of General Chung-ying," the *Sin Wen Pao* observes:

"At this juncture it must be pointed out that without Soviet assistance General Shen Shih-tsai could not have won his victory over General Ma. Sinkiang is so far away that it is extremely difficult for the Chinese troops there to get supplies from the interior. When the late General Tso Tsung-tang of the Ching Dynasty conquered the Mohammedans in Sinkiang many decades ago he received a great deal of assistance from the Russians. In the present case we understand also that General Shen received supplies of arms and ammunition from Soviet Russia from time to time. But for these weapons the Mohammedan general would not have been defeated so easily.

"But why should the Russians help General Shen Shih-tsai? The fact is Soviet Russia does not want Sinkiang to continue in a state of disorder in consideration of their own interests. If Sinkiang falls into the hands of a third party the situation would be worse for the Soviets. So the Soviet authorities have realized that is would be better to assist the Chinese in quelling troubles in Sinkiang rather than to give a chance to an ambitious third party."

In connection with the Ku Meng-yu case, the *Ta Kung Pao* at Tientsin comments:

"Two questions are involved in the case: (1) Whether Ku Meng-yu is guilty of corruption as Liu Hou-wu, member of the Control Yuan, charged and (2). Whether in concluding the railway agreement with the French interests, Mr. Ku has violated law. To solve the first question, an examination of the text of the agreement is of no avail. The second question is one of legal procedure and the law is not clear on the point.

"However, regardless of the eventual outcome of the case, there are certain questions which must be brought up for consideration by the Government.

"In the first place, the Committee on Disciplinary Punishment of Administrative Officials must be enabled to carry out its functions and publish its findings into the various impeachment cases brought before it. Never since its inception has the committee settled a single case submitted for its judgment. The Control Yuan also has not made a very favourable impression on the public since its organization six years ago. There is a general feeling abroad that the Yuan knows only how to visit its wrath on 'small potatoes' but is unable to do anything against high officials or those with influential connexions. We suggest that the National Government take advantage of the present Ku Meng-yu case to reorganize the Disciplinary Committee so as to make it live up to the expectations of the public.

"Secondly, the question what the Executive Yuan should refer to the Legislative Yuan for examination and what it should not, must be regulated by law. According to the existing system, the Legislative Yuan is a branch of the National Government and therefore possesses attributes different from those of legislative bodies in other countries. Still its powers and limitations must be defined by law so that there may be no controversy in the future. As things stand at present, the Central Political Council is the highest organ of the Government. It can override rules and laws passed by the Legislative Yuan. The most recent example in point is the new Customs Tariff. We feel that so long as the present state of affairs continues, laws will lack stability, while it will continue impossible for the Disciplinary Committee to decide whether an administrative official impeached by the Control Yuan is guilty or not."

# Japan to "Force" Recognition of Manchukuo

THE Japanese Foreign Office, according to a recent message from Tokyo, is determined to clarify the matter of the attitude adopted by Western nations towards recognition of Manchukuo, according to recent advices from Tokyo, and is therefore considering the following changes of policy:

1. When foreign countries who refuse to recognize Manchukuo approach the Japanese Foreign Office with a request that Japan act as an intermediary in diplomatic matters, the Foreign Office will refer the country concerned to the Manchukuo Ministry for Foreign Affairs.

2. Such countries shall be required in future to obtain the consent of the Manchukuo Government before appointing consular representatives. At present they merely advise the Manchukuo authorities of new appointments.

3. To take steps to modernize the judicial system in Manchukuo, to improve the prison system, and to enact laws controlling foreign nationals with a view to abolishing extra-territoriality.

4. To modify the principle of the "open door and equal opportunity" in Manchukuo with a view to greater protection of domestic interests.

**British Commanding Officer Stands on Terms of Boxer Protocol**

Means whereby relations between Manchukuo and Powers which have not recognized the new state may be better defined and regulated are being studied by the Japanese Foreign Office, a spokesman announced in Tokyo July 21. The need for this study, he said, was again brought to the fore by the reported refusal of the commanding officer of the British forces in North China to accede to a request of Colonel Seiya Giga, chief of the Japanese Kwantung Army at Shanhaikwan, who had sent circular letters to the commandants of various foreign forces stationed in Tientsin and Peiping requesting them to inform Manchukuo military officials when they were contemplating maneuvers or marches in the vicinity of the Sino-Manchukuo border or within Manchukuo territory. The commanding officer of the British forces replied to Colonel Giga stating that he saw no reason for doing so as his forces had the right to operate along the Peiping-Mukden Railway line by virtue of the Boxer protocol and since Great Britain had not recognized Manchukuo the situation remained unchanged.

"As a matter of fact these countries are treating Manchukuo as a part of China if that suits them and as an independent state when that is more convenient," he declared. This situation, he stated, was intolerable both for Japan and for Manchukuo and it demanded a prompt study of ways to define and regulate the relations of the new empire with powres which have not yet extended it recognition.

The protest made by the Kwantung Army Headquarters against the holding of summer camps by British and other foreign troops near the Manchukuo frontier came to the attention of the British Foreign Office, July 23. The question is stated to be one of some delicacy owing to the fact that the British and other governments have not recognized Manchukuo or the frontier.

**Manchukuo to Have a "Brain Trust"**

The Manchukuo Government has decided to organize a planning department, which will play the role of "Brain Trust" in the spheres of Manchukuo's economy and industry, it was announced in Changchun July 9. A total amount of about $189,000, which will be expended in the organization, has already been appropriated in the budget for the fiscal year of the 1st year of Kangte. It is understood that the organization of the new department will be announced by the Bureau of Legislation before long. Among various objects of the planning department, are the formulation of measures regarding Manchukuo's economies and industry and their realization, a study on arrangement and revisions in the administration, the centralization of the General Affairs Department, a thorough and effective cooperation with the Japanese Government, investigations into the co-ordination of business and finances and the compiling of statistics, together with a thorough and scientific investigation of the economic field.

The *Osaka Jiji* says that Foreign Minister Hirota is directing particularly earnest attention to the question of putting relations with Manchukuo on a stable basis. The Foreign Minister seems to think that the present system of the three important posts of the Ambassador to Manchukuo, the Commander of the Kwantung Garrison and the Governor of Kwantung province being invested in one person calls for reform, in view of the recent development of Manchukuo and the actual requirements of the situation. He also recognizes the necessity of the South Manchuria Railway Company being adequately reorganized so as to accord with the future Manchukuo policy of the Japanese Government.

Mr. Hirota further sees the necessity of Japan promoting a speedy solution of the extraterritoriality problem in favor of Manchukuo. He thinks it advisable to transfer to the Manchukuo Government the right of taxation and criminal jurisdiction in the South Manchuria Railway zone, to begin with. The policy of settling Japanese in Manchuria must be re-examined so that it may be so framed as to "promote the conversion of Manchukuo into a happy land in which both nationals may live in mutual friendship and prosperity."

The Manchukuo Department of Justice announced in Changchun July 19, that fundamental reforms of the civil and criminal codes and the codes of civil and penal procedure of Manchukuo will be undertaken in preparation for the projected abolition of Japanese extraterritorial rights.

Judicial officers in Manchukuo are to be trained at a new law college to be established at Changchun. It will be under the direct control of the Department of Justice. The new institution is scheduled to open on September 1.

Effective August 1, the Manchukuo Department of Education will distribute free text-books to all primary schools in the country, it was officially announced in Changchun July 18.

A request for 1,000 experienced policemen, 300 administrative officers and 200 clerks has been sent to Japan by the Manchukuo Government. The 300 administrative officers would become chiefs of police and Government secretaries. The Tokyo *Hochi* announces the selections will be made by the army, and applicants are expected to offer themselves in large numbers, as salaries in some instances would be nearly three times those of corresponding positions in the Japanese Government.

**Manchurian Bandits Show Hostility to Koreans and Japanese Only**

Recently, when a Russian breakdown gang was repairing a bridge which had been partially destroyed by bandits not far from Kailin on the Chinese Eastern Railway, a note, tied to a stone, was thrown to them by bandits lying in ambush. The note curtly ordered the workmen to stop all repairs and return to their depot, otherwise they would be fired at. Later in the day, a force of bandits, when marching through Shanshih, a small town on the eastern section of the Chinese Eastern Railway, instead of pillaging, distributed leaflets to the astonished inhabitants, which stated that Chinese and Russians would not be molested, as they (the bandits) were only at war with the Japanese and Koreans.

A force of 20 bandits killed two coolies and disarmed three guards of the Chinese Eastern Railway at Tsaichiakou, on the southern section of the C.E.R., on the night of July 15.

As a result of the oppression of the Japanese in Manchuria many young Chinese have turned Communists and have organized a Red Army in Kirin. At present there are three armies of Red forces and most of their elements are Chinese with a certain number of Koreans and Japanese mingled among them. The total number of the Red forces is estimated at 30,000 men and 80 per cent of them are stated to be armed.

The disputes between "Manchukuo" landlords and Korean tenant farmers have taken a serious trend with the coming of the rice planting season, some even leading to bloodshed in the interior of Mukden Province where many Koreans have settled. A suggested means for reaching an amicable solution is that the Manchukuo government should purchase land to be rented to Korean settlers.

A recent message from Changchun stated that Germans with 130 applications, led the list of those applying for the registration of their trade marks by the Manchukuo Government during June. Four hundred and ten applications were received, showing an increase of 39 as compared with the number for the previous month.

Emperor Pu Yi is a great admirer of Hitler, according to an interview published by the Berliner *Illustrierte Nacht Ausgabe*, granted to the paper's special correspondentat Hsinking.

A syndicate of Japanese banks July 18 underwrote an issue of $10,000,000 of bonds of the Manchukuo Government for construction of waterworks in Hsinking and Harbin.

Direct wireless telephone service between Japan and Manchukuo is to be inaugurated August 1.

The official opening of the Lafa-Harbin Railway, which was scheduled to take place on August 1 will see a delay of about one month, owing to damage done at many points of the new line by the continued heavy rains and the overflowing of the Lalin River. About 100 miles of the railway bed loosened by the rains make it impossible for railway trains to travel at more than eight miles an hour.

A Japanese press report that the South Manchuria Railway Co. and the Korean Government had reached an agreement to build a new double-decked bridge over the Yalu River was denied in Dairen, July 23 by Y. Hatta, vice-president of the S.M.R.

### Manchuria Police Agitate Against C.E.R. Institution

According to reports from Harbin, the Manchurian police are undertaking a regular campaign against cultural and educational institutions of the Chinese Eastern Railway. All four clubs of employees and workers of the C.E.R. in Harbin, including the largest cultural center in Manchuria, the "Harbin Railway Assembly" (Jelsob), have been closed. This campaign (according to *Tass*) was prepared by the preliminary provocational propaganda of Japanese and Manchurian newspapers to the effect that the clubs of the railway workers allegedly served as centers of various conspiracies, etc.

The fourth proposal from Manchukuo to acquire the C. E. R. was handed by Foreign Minister Hirota to Soviet Ambassador Yureneff in Tokyo July 23. The contents of the proposal were not made public. Chuichi Ohashi, vice minister for foreign affairs of Manchukuo and chief delegate to the negotiations for the transfer of the line from the Soviets to Manchukuo ownership, told Japanese reporters that he was prepared to call off the discussions should the Russian delegation reject the proposals submitted by "his coumtry."

### Manchukuo Plans Oil Monopoly

Oil imports into Manchuria are to be carefully regulated by the Manchukuo Government with a view to establishing a petroleum monopoly. This decision to establish a monopoly of these products is evidently connected with the recent announcement that the Japanese Foreign Office in Tokyo was determined to force recognition of the new state upon the Powers. Representations by the Powers concerned that the new move is an infringement of the traditional "Open Door" policy in Manchuria evoked a reply from the Japanese (Manchukuo) government to the effect that the monopoly is being established in the best interests of the new state and that it is necessary from a defensive point of view.

A new 2,000-kilowatt hour power station will be erected at Tsitsihar by the South Manchuria Electric Company at a total cost of 600,000 yen. The projected plant is expected to be completed in June 1935.

A five per cent decrease in the estimated yield of Manchurian staple farm products in comparison to last year's total crop was forecast July 24 by the Department of Industry of the Manchukuo Government, as the result of an investigation held in Japan.

## Manchukuo Athletes to Join New Olympic Group in Orient

A recent Tokyo message recalls that the question of the participation of Manchukuo Amateur Athletic Association in future sports meetings was hotly discussed at the general assembly by the Far Eastern Olympic Association officials and caused a break in the Association. This resulted in the subsequent formation of a new group of sports in the Orient, sponsored by the both amateur athletic groups of Japan and the Philippine Islands, who have decided to join the Oriental Amateur Athletic Federation. The first meeting of official representatives from the Japanese and Philippine groups will meet in Tokyo, during October this year, to frame up a constitution for the proposed sports federation in the Orient.

The Physical Training Association of Manchukuo at Changchun July 13 received a cablegram from Dr. J. G. Vargas, of the Philippines Amateur Athletic Association, inviting Manchukuo to join the newly-organized Oriental Athletic Association. The Manchukuo organization immediately responded with an expression of gratitude for the friendly attitude displayed by the P.A.A.A.

Japan will recognize the Philippines as soon as the Islands independence from the United States becomes a fact, Ryozo Hiranuma, a member of the Nipponese House of Peers, stated recently in Manila. Mr. Hiranuma was in Manila as head of the Japanese delegation to the Far Eastern Olympic Games.

## Japan in Manchukuo

*(From "The Economist" London, June 9, 1934)*

An interesting controversy has broken out in Japan over the future development of Manchukuo. The Japanese military leaders always intended to develop Manchukuo on the lines of strategy and national defence. They are strongly critical of what they call "the evils of capitalism," in other words of the methods of Japanese financiers and business men. The "capitalists," on the other hand—although they originally opposed the Manchurian adventure—are now demanding that they should be left free to exploit the country. They are uneasy on account of the development, under military encouragement, of new industries in Manchukuo which are beginning to compete effectively with Japanese home industries. With wages far below even those of Japanese workers, Manchukuo, has, in certain branches of industry, an advantage over Japan as Japan has over the Western countries. In iron and steel, flour milling, soya bean production and breweries, developments in Manchukuo are creating irritation in Japan. More disturbing to the Japanese, however, are the existing plans for a cotton and wool textile industry. During a recent visit to Tokyo of the Manchukuo Prime Minister, the problem of "unhealthy" competition and possible misinvestment of capital was discussed at length. Japanese industrialists are now clamoring for a commercial treaty between the two countries which will eliminate such risks.

## Korean Spy to Be Shot by Soviets

The activities of a vast spy organization, chiefly occupied with gleaning data on the Far Eastern railway communications of the Soviets, was exposed during the trial of a band of arrested men before the Military Collegium of the Soviet Supreme Court in Moscow during the week. The organization, which was headed by a Korean named Kin Zayen, was alleged to have specialized in train-wrecking and other acts of sabotage and to have been preparing "big diversions" in the event of an outbreak of war. Zayen and seven of his lieutenants were sentenced to be shot. The others were sentenced to terms of imprisonment ranging from ten years downward.

F. C. Carter, General Secretary of the Institute of Pacific Relations, spent two weeks in Moscow last month establishing contacts with Soviet research institutions specializing in problems of Siberia and the Far East.

Messrs. Bestover and Enlow, representatives of the United States Department of Agriculture arrived in Russia last month to obtain seeds of drought-resisting grasses and grasses protecting the soil against erosion.

One hundred and eighty American students have arrived in Moscow to attend the course of lectures at the Anglo-American Institute opening for the summer season with Moscow State University.

H. G. Wells, British historian and novelist, had a three-hour interview with Stalin in Moscow July 23.

### Collective Farmers Aid Manchurian Gunboats Grounded in Argun River

Two Manchurian armored cutters ran aground on July 16 in one of channels of the river Argun forming the frontier between the Soviet and Manchurian territories. Upon request of the commander of the cutters, Soviet collective farmers and frontier guards set the gunboats afloat. During the refloating operations two of the Manchurian sailors fell into the water and were nearly drowned. They were rescued by Soviet frontier guards.

# Past and Future Railway Development in China

BY C. Y. W. MENG (孟 昭 泳)

THE first railway in China was built in 1864. Since the Shanghai-Woosung Railway was first constructed, the total mileage of our national railways now reaches 12,493.791 kilometres, and the entire staff of railway workers including porters comprises over 160,000 people.

**12,493.791 Kilometres of Railways in 70 Years!**

That is to say, on the basis of our territory and population, we thus find that for every 276 miles of our territory or for every 54,000 of our population, we have only one mile of railway, and generally speaking, we built only about 179 kilometres of railway each year. How little is done! How slow is the progress! The following table will give us very approximately the area and population per rail track mile in China as compared with Great Britain and the United States of America:

| | *Area per track mile* | *Population per track mile* |
|---|---|---|
| China - - - | 700 square miles | 75,000 |
| Great Britain - | 4¾ ,, ,, | 2,200 |
| U.S.A. - - - | 8½ ,, ,, | 3,300 |

**All Railways in Bad Financial Shape**

Besides, there is not a single Chinese railway line that is, under normal circumstances, a good financial proposition. There is at the present moment scarcely one of these lines that is properly paying its way. Many are not only failing to meet their capital repayment charges, they are behind also with their interest dues. In 1932 out of 19 railway loans the quotas were being met on only three; 15 other advances for railways were all in default. At the same time it is doubtful if there is a single one that is able to deal in a really satisfactory manner with the problem of replacing old and worn out equipment and buying additional equipment with a view to augumenting and improving their services. With the exception of the Ministry of Finance, the Railway Ministry is by far the largest debtor among all the ministries. It is not only the most heavily in debt but for a good many years it has been losing millions every year.

**Operation On Loss Basis**

If we further turn to the tables of figures prepared by the Auditing Department of the Ministry of Railways, we will notice the deplorable state of the Chinese railways, as the following table will show:—

**Balance Sheet for 15 Railways in 1932**

| | |
|---|---|
| *Income* | |
| Operating Revenue - - - | $139,412,650.84 |
| Military Transport - - - | 8,276,463.65 |
| Income Account - - - - | 1,799,306,80 |
| *Total* - - - - | $149,488,423.29 |
| *Expenses* | |
| Operating Expenses - - - | $97,393,833.93 |
| Interest payments - - - | 45,820,782.17 |
| Miscellanies - - - - - | 1,861,639.55 |
| Military subsidies - - - | 5,508,500.00 |
| *Total* - - - - | $150,584,755.65 |
| Total Expenses - - - - - - | $150,584,755.65 |
| Total Income - - - - - - | 149,488,423.29 |
| Nominal loss in 1932 - - - - - | $ 1,096,332.36 |

The present unfortunate position of the Chinese railways is entirely due to the constant political unrest and civil wars, and the manner to which the militarists have accustomed themselves to use the railways. The railways have to shoulder the losses under the headings of "military transport" and the "military subsidies." That is, even some of the profit-making railways have to become money-losing concerns, after deducting the military transport and military subsidies; the total of these two items, according to the estimates, amounts to $13,784,963.65 or about $14,000,000 loss to the Chinese railways, not to speak, of the incalculable indirect losses due to the stoppage of the railway traffic, destruction of equipments, etc.

**Construction Program—Completion of Canton-Hankow and Lung-Hai Lines**

But in spite of the financial difficulties of the Government during the recent years, the Ministry of Railways has been able to complete 346 kilometres of railways between 1929 and 1932, while part of the program which was decided upon was also completed.

The longest trunk railway lines running from south to north and from east to west in the country are, respectively, the Canton-Hankow and the Lung-Hai Railways. These two lines form the nucleus of our communication system, the construction and completion of which have always been long wished by the Ministry of Railways under all ministers.

1. Canton-Hankow Railway:—This line, when completed, will link up the extreme south with the extreme north, by the Hankow-Peiping Railway. The history of the Canton-Hankow Railway is rather complicated. At first certain Chinese commercial interests raised a sum of over ten million taels for the construction of the railway. Later they secured an American loan of U.S.$40 millions, but soon after some dissatisfaction was expressed among the American shareholders. The trouble was soon over, however, but immediately afterwards certain Russian and French interests obtained the American shares in the railway. These, however, were later bought over by the Chinese interests, which thus placed the Railway entirely under Chinese control. In the 3rd Year of the Emperor Hsuan Tung, it was proposed to place it under State control. This suggestion was, however, unanimously opposed by the Chinese shareholders, and it was only after the establishment of the Republic that they agreed to the proposal. The Republican Government then raised a sum of $50,393,848 by floating a long-term loan, in order to purchase the shares of the railway. In view of the length of the Canton-Hankow Railway, the Government after taking it over, found it advisable to divide it into a number of sections in order to facilitate the construction work.

Up to the present, the whole line is practically completed except the section between Shaochow (in Kwangtung Province) and Chuchow (In Hunan Province) (about 400 kilometres). But due to the energetic efforts of the Ministry of Railways the line between Shaochow and Lohchong (50 kilometres) was completed sometime ago, while the line between Lohchong and Tashihmen (45 kilometres) is now under construction. It is planned by the Ministry to complete the whole line in about two years.

2. Lung-Hai Railway:—This railway, when completed, will traverse four provinces, namely, Kiangsu, Honan, Shansi and Kansu, connecting the sea-port (Haichow) on the extreme east with the north-west on the west. From Haichow to Tungkwan (about 900 kilometres) was completed long ago. The line between Tungkwan to Sian (about 132 kilometres) is partly completed and partly still under construction. A branch line will be constructed to connect Taiyichwang where the famous Chung Ching Coal Mines are situated with a view to developing the coal mines. Since Sian is now the "auxiliary capital" of China, and the National Government has manifeasted its strong intention to develop the North-west, it is planned by the Ministry of Railways to complete the Sian-Tungkwang section at a much earlier date.

On the eastern terminus, the Ministry of Railways will develop the Haichow harbor into one of the most modern harbors. Contracts with certain Netherland interests were signed last year. The cost of the construction was said to be somewhere about three million dollars.

**Nanking-Changsha Railway**

3. Nanking-Changsha Railway:—The completion of the Canton-Hankow line is now already in hand; the funds for that have been perfectly guaranteed by the British Boxer Indemnity Committee. The next intention of the Railway Ministry seems to be the construction of Nanking-Changsha (capital city of the Hunan Province) line. This will bring Nanking into direct rail communication with Canton, and will link up with several existing lines, the Canton-Hankow, the Kiukiang-Nanchang, the Nanking-Shanghai, the new Hangchow-Lanchi-Nanking project, thus creating direct rail communication between Pinghsiang, a place famous for its coal production, and Shanghai, and also greatly reducing the cost. But owing to the construction of the Hangchow-Kiangshan Railway (155 kilometres), the original plan of construction of Nanking-Changsha is necessarily somewhat altered, according to the plan of the Ministry of Railways. Up to the time when these lines were written the preliminary survey works on the proposed Nanking-Changsha line have already been carried out. This line is said to be very costy, as it is estimated the cost will be somewhat in the neighborhood of 90 million dollars. So whether the Government could raise such big sum is very doubtful. But that this line has great political, economic and military value and significance goes without saying. So we urge to build this line before any others.

**The Liquidation of Debts**

The next important step taken by the Ministry of Railways is the liquidation of its outstanding debts. As stated above, with the exception of the Ministry of Finance, the Ministry of Railways is by far the largest debtor of all ministries. In order to build more and new railways according to the plans, China needs a tremendous sum of money, and such sum could only be obtained by borrowing. As long as China is in default on existing loans it is hopeless to expect the private foreign investor to rish his cash in Chinese railway projects; nor will the average home investor be very anxious to do so.

Up to the 17th Year of the Republic, the total amount of principal and interest on foreign railways loan had reached $51,572,296.51, while the total amount of principal and interest on domestic railway loans reached $43,778,866.04. It is further computed that by the end of June 1932 the total accumulated debts of the Ministry of Railways amount to the colossal figure of $1,353,684,457.37. The principal and interest payments of almost all loans and debts are long in arrears.

But sometime ago, the Ministry of Railways decided to adopt the following measures to remedy the situation:—

1. The Government to conclude new loans on favorable terms for the amortization of old loans which impose unbearable restrictions on the development of the Chinese railway industry.
2. The Government to announce the suspension of interest payment on railway loans, and to devise measures for the amortization of mature loans.
3. To merge together small loans that belong to the same category, in order to avoid complications.
4. To liquidate those loans that are not used for railway purposes.
5. To issue new loans to meet the urgent needs of the various national railways. Such loans should be issued by authority of the Central Government.

**Railway Ministry and "Nishihara Loan"**

At present, we understand, the Railway Ministry is taking some definite steps to liquidate its old obligations, amounting to no less than $1,000,000,000, principally from the purchases of railway materials. In liquidating its outstanding debts, the Ministry of Railway made it very clear that this big sum does not, in any way, include the so called "Nishahara Loan," contracted between the "Anfu Clique" and the Japanese interests under the Peking regime, adding that the Ministry is only taking steps to liquidate outstanding obligations contracted by the Ministry for the construction of the railways or for the purchase of the materials, with an idea that the liquidation of outstanding obligations would improve China's credits. The Ministry further explains that the Ministry would not take up and liquidate such loans whose "official documents" could not be found in the Ministry's archieves, meaning that as no official document of the "Nishahara Loan" has ever been in existence and filed with the Chinese government's archives, the Ministry would never take step to liquidate such a loan. Another official in the Ministry is quoted to have said that the "Nishahara loan" has nothing to do with the Ministry of Railways. The policy of liquidation, as stated by one spokesman of the Ministry, is as follows :—

1. As regards loans, foreign or domestic, for which official documents could be found from the archives, the Ministry would take steps to liquidate them.
2. The Ministry would take steps to reduce the interest of each loan contracted, after liquidation.
3. The first step is to liquidate the loans which were contracted for the purchase of materials, amounting to about $1,000,000,000.

We believe that the Ministry is taking steps in the right direction. Such efforts will undoubtedly tend to improve China's railway credit and will assist China materially in the program of railway development in future.

Nanking, July 21, 1934.

## Late Alex. McLure Allegedly Defrauded Investment Companies

The estate of the late Alex. McLure, deceased member of the chartered accountant firm of Seth, Mancell and McLure, was declared bankrupt in the British Court in Shanghai July 23 by John McNeill, appearing for J. A. Turner of the accountant firm, in an application for the appointment of an executor. At the time of his death, Mr. McLure was general manager for the International Investment Trust Co. of China and the Yangtsze Finance Co., both of which have been badly hit by the fact that the deceased had evidently dealt with in the securities of these two companies for his own account. Judge Mossop made an order appointing E. F. Hardman of the accountant firm of Lowe, Bingham and Matthews as joint administrator with Mr. Turner. Circulars were issued during the week to the shareholders of the two above mentioned finance companies in which it is was stated that a total of 16,350 shares of the Shanghai Tramway Co. had not been accounted for, amounting to a sum of about $650,000. Announcement was made during the week that the name of the accountant firm had been changed to Seth, Turner and Company. J. A. Turner, before the death of Mr. McLure, had been a partner in the company.

Both the International Investment Trust and the Yangtsze Finance Co. are Sassoon concerns. F. R. Davey, who is the chairman of both companies, is a director of the E. D. Sassoon Banking Co. and manager of E. D. Sassoon & Co. Ltd. H. E. Arnhold, M. Benjamin and M. Speelman are among those who are directors in both the Investment Trust and the Yangstze Finance Co.

The last has not yet been heard of the robbery which took pace on the night of June 9 on the premises of Seth, Mancell and McLure, when $12,000 of funds intended for the Canidrome were taken from messengers who had just arrived from the bank, by several young man armed with revolvers. It will be remembered also that the death took place in Shanghai allegedly from the effects of the sun during a week end holiday of Alexander McLure, a partner in the concern, on the morning when the four alleged culprits were released by the Chinese Court in Shanghai. In the meantime a Chinese lawyer named Yen Loo-tching had been arrested on a charge of attempting to extort $2,000 from the father of one of the accused. The case came up once more in the Chinese court in the French Concession July 23, when the French Municipal advocate asked that the case be reopened for further debate. He stated that new facts had been discovered as the result of police enquiries. It was alleged that one Tsang Tsou-ying, brother of the accused Tsang Ki-meng, had declared that they had also been solicited by this lawyer. The French Police are also appealing against the decision of the court freeing the alleged robbers. In the meantime the accused lawyer has been released on bail.

## How China's Trade Figures Were Affected by Lopping Off of Manchuria

The report on China's foreign trade for the second half of the year, 1933, prepared by Ho Ping-yin, director of the Bureau of Foreign Trade, to the Minister of Industry, has been published in brochure form. For the whole year, China's total imports amounted to $1,345,000,000 in value, showing a decrease of 18 per cent as compared with 1932; total exports amounted to $611,000,000, a decrease of 20 per cent. The excess of imports over exports, amounting to $733,000,000 registered a decrease of 16 per cent. These figures are, however. somewhat misleading, as figures for Manchuria are, naturally enough, not included in the 1933 figures. Making allowance for this fact it would appear that the actual decrease of imports as compared with the previous year was only 11 per cent, whereas exports actually increased by six per cent. The two principal reasons for the decrease are stated to be the decreased purchasing power of people in the interior and also to a certain extent the higher import duties. The principal change that has been made in the nature of exports as the result of the elimination of Manchuria is that whereas in former years beans and bean products stood at the head of China's exports, for the year 1933 manufactured goods were in the lead. Mr. Ho is, however, careful to point out that this has been entirely due to the absence of returns from Manchuria and does not indicate any considerable industrial progress in the country. America stood at the head of the list of foreign countries doing trade with China—taking 18.48 per cent of the exports, and supplying 21.86 per cent of the imports. China buys principally raw cotton, petroleum and tobacco from China and exports to the United States principally wood oil, raw silk, bristles, tea and egg products. The report mentions that there is a clear tendency for the concentration of both import and export trade in Shanghai. One of the reasons for this is that in recent years there has been a steady flow of capital into this port either for safety or better investment, as conditions in the interior have been unsettled and business depressed.

## Sir Arther Salter Says China Is Retarded by Lack of Money and of Confidence

Sir Arthur Salter, writing in the *Washington Star* June 10, discussed the economic situation in China. He says that China is retarded in her development by the lack of money and the lack of confidence. Sir Arthur writes: "At the present time the interior of China is being starved of capital, partly because little or no foreign money is coming into the country, partly because lack of confidence is taking the country's own limited savings to the unproductive security of the deposits at Shanghai. Real improvement will only begin when capital flows back from Shanghai to the interior and from the outside world into China. For this the first condition is the re-establishment of confidence; the second, as regards foreign capital, is that the railway situation should be dealt with. Tchnically, this is a soluble problem; there certainly is great scope for productive railway expansion and for economic development based upon it. It is encouraging, indeed, that in spite of all the adverse factors there has been a continuous development in China of lighter industries, which now make a great variety of articles—furniture, domestic appliances, et cetera—for which China formerly depended upon foreign supplies or, more commonly, had to do without. In addition, there has been much activity, not all well directed, but representing a real effort and considerable promise for the future, in economic reconstruction—the making of roads, governmental assistance to farmers in improving their yield by selecting better seed, etc."

## Greater Shanghai Loan Oversubscribed Three Times

The $3,500,000 7 per cent loan of the City Government of Greater Shanghai was oversubscribed by more than 10 times. The loan was issued through the offices of Swan, Culbertson & Fritz, for an underwriting syndicate which includes Swan, Culbertson and Fritz, the Chekiang Industrial Bank, International Savings Society and the Bank of China. It is secured on the license revenue from motor cars, motor trucks and cycles issued by the Municipality, and the money is to be used for improvement of roads, construction of bridges, and reconstruction in Chapei and the new Civic Center, including construction of a library a museum, and athletic stadium.

# Japanese Navy Plans Increases to Meet 1935-6 Crisis

As time rolls on the reports from Japan indicate that even larger appropriations than previously indicated will be insisted on by the Navy and War Ministries. The most recent figures are Yen 600,000,000 for the army. The present fiscal year's army and navy budget totals Yen 936,000,000 in round figures, Yen 487,000,000 going to the navy and Yen 449,000,000 to the army. It is the largest peace-time budget in Japan's history, constituting 43 per cent of the total national expenditure. Established items in the proposed navy budget will amount to Yen 250,000,000 and new items will total Yen 450,000,000, according to the *Jiji*. Authorities of the Navy Office plan to put into full swing as soon as possible plans for the substantiation of naval strength in preparation for the 1935-36 naval limitations, and to start construction in the secondary replenishment plan, including the building of the proposed B-class cruisers, and seaplane tenders and destroyers. An important item is enlargement of the naval air force, embracing the establishment of new air corps at Kisarazu and Maizuru and extension of the Ominato and Saeki aviation corps.

### Admiral Pratt Says Japan Has No Logical Claim for Increased Navy

Admiral William V. Pratt, former Chief of Naval Operations and former Commander-in-Chief of the United States Fleet, in the July issue of *Foreign Affairs* writes that though Japan has no logical grounds to lay claim to an increase in her naval ratio, she has a just claim to equality in treatment in other respects, and suggests that peace can be kept "so long as each country respects the other's rights, lives up to its treaty agreements, enters into no trade wars, develops no superiority complex, starts no war propaganda, attends strictly to its own business, is just in its dealings with the other, and truly desires peace." Looking ahead, the Admiral thinks that the forthcoming Naval Conference "will be a meeting where men and their attitude towards each other will count for more than any logical presentation of facts. No nation would care to be responsible for setting the clock back, for calling into existence again the old system of naval competition, with its attendant evils and balances of power." He however adds this warning: "But if the ship sinks, the readjustment period should find those with identic interests in the same lifeboat." Admiral Pratt says the Japanese claim for an actual increase in her naval ratio will not further the purposes of peace, and must find other reasons than equality and security.

### Osaka Journal Says 1935-6 Crisis Is Diplomatic Not Military

The *Osaka Asahi* declares that if the new Japanese Cabinet is to fulfil its important mission of tiding the country over the crisis of 1935-1936, its first and foremost attention must be directed to the formulation and execution of foreign policy in the right and efficient manner. There are, it is true, very many problems which the Osaka Cabinet is called upon to solve, the Osaka journal proceeds, but the important thing is that it should appraise the relative importance of these problems correctly so as to avoid topsyturvydom in tackling these numerous problems. The so-called crisis of 1935-1936 is diplomatic rather than military. The word "crisis" is used in the sense that if is not adroitly handled, there is a danger of war breaking out. The fact that the new Premier caused Mr. Hirota to stay in office leads one to the belief that he desires to tide over the crisis by diplomatic means. If so, he must see that the Foreign Minister is given ample opportunities to carry out his peaceful policy. The increase of armaments is, no doubt, necessary, but diplomatic efforts must take precedence of all things in the direction of averting the threatened crisis. Armaments are necessary as one means of bringing diplomatic efforts to fruition, according to the *Asahi*. The best victory is that which is won without fighting, it avers.

### Soviets Says Japan Finances Cannot Sustain Long War

The Soviet journal *Pravda* June 7 expressed the view that Japanese finances would not be able to substain a long and costly war, such as a conflict in the Far East presumably would entail. Even one year of war, the article states, would bring on disastrous inflation and cause such privation to the masses of the Japanese people who are already living at a low economic level that the Japanese Government would be in danger of a rebellion. The data on which Soviet economists base their conclusions are taken from recent Japanese publications, although at many points the Soviet economists revise the Japanese figures as misleading.

### Japanese Government Urged to Sponsor Auto Production

Establishment of automobile factories sponsored by the Government is strongly urged by leaders of the Ministries of War, Commerce and Industry and others Thus far, Japan has imported almost all automobiles from abroad, which military leaders point out would be a vital weakness in the event of war. According to advocates of the plan, a number of factories should be established to produce cars on a mass scale to meet the public demand.

### Osaka Journal Sees "Menace of Overproduction"

The *Osaka Mainichi* published recently a remarkable article describing how a vague fear of the "menace of overproduction" has spread and how the "gloomy prospects" have already affected market quotations. The tendency towards overproduction, it is argued, has been caused by the stimulus to exports from the depreciated currency, the rise of domestic manufactures to replace imports, the increase in military expenditure and on relief works. The writer said the ability to overcome trade barriers has not yet reached its maximum; her manufacturers can go on "until the Japanese farmers, laborers, minor commercial and industrial enterprisers, salaried men, and so forth tumble from the poverty level to the starvation point." The cheerful conclusion is that "as long as relief can be found here, the industrial capitalists can transfer their loss resulting from surplus production to the weaker classes."

### Japanese Seek New Fields for Emigration

With Japanese emigration to Brazil limited to 2,750 persons annually by virtue of a recently enacted constitutional amendment, officials of the Foreign Office and Overseas Affairs Ministry are studying new fields to absorb Japanese settlers. Approximately 20,000 Japanese emigrated to Brazil last year. The Argentine, Paraguay and Peru were seen as prospective fields of endeavor for agricultural settlers, while Cuba and Central America were said to be more favorable for small tradesmen. Japanese emigrants who were contemplating to go to Brazil this year will be admitted, despite the enanctment of a new constitutional amendment seriously limiting immigration, a recent message from Tokyo stated.

Foreign Minister Hirota July 20 ordered Kensuke Horinouchi, director of the American Affairs Bureau of the Foreign Office, to make a thorough study of the new Brazilian constitution with particular reference to the provisions affecting the rights and interests of Japanese in Brazil. Besides limiting drastically Japanese immigration into Brazil, the new measure, reports filed by Ambassador Kyujiro Hayashi said, will limit the activities of Japanese engaged in journalistic, medical and educational professions. There are at present two Japanese newspapers published in Sao Paulo while several Japanese private schools have been established in immigrant settlements.

### Tokyo Version of Alleged Theft of Documents by Japanese Military Officer

Denying allegations made by the *Tass* news agency recently that a Japanese colonel or captain had been intercepted while trying to steal various documents at Blagovestchensk, the Tokyo military authorities have entered a protest to the Soviets, incidentally issuing a statement on the incident, which says: "It is quite true that Captain Miyazaki was invited by the Soviet Consul on July 3. After he had been sufficiently regaled at the function the Japanese officer thanked Consular Secretary Shemakov and told him that he was going away immediately. He came downstairs but then found the front door locked. He called the boy several times, but none came to him. So he, finding the reception room near the door open, went there and had a rest there for about five minutes, when the boy and Mr. Shemakov entered the room, the latter asking him why he was leaving so early. He replied that he wanted to go away as he had enjoyed the evening perfectly. This was the truth of the case." The Japanese military authorities at Harbin are asking for a retraction of the report.

### Seiyukai Torn by Internal Dissensions

Accentuating the internal troubles that are tearing the Seiyukai, the principal party in Japan, following the organization of the cabinet under Admiral Keisuke Okada, Masao Taki, filed his resignation from the party July 18. Mr. Taki is one of the 20 followers of Takejiro Tokonami, minister of communications in the new government, who was ejected from the Seiyukai July 8 for having accepted his present post.

Baron Kumakichi Nakajima, 61-years old, former Minister of commerce and industry, underwent a vigorous questioning July 20 at the hands of Procurator Hiwata of the Tokyo District Court in connection with a new charge of bribery brought against him. The new charge, it was understood, was brought against the Baron after he had been virtually cleared of connection with the charges involving Hideo Kuroda, former vice-minister of finance, on which he had been arrested a few days previously. Baron Nakajima is charged with having accepted a large block of shares valued at several thousand yen in March or April 1933 and to have used his power as minister in an illegal manner. The Baron was forced to resign from his post February 8 this year after being subjected to a withering parliamentary fire in connection with an article he had written for a magazine about 10 years ago. In the article, Baron Nakajima compared Takauji Ashikaga, a rebel against the Emperor in the 16th century, with Oliver Cromwell. This was construed as a case of lese-majeste and used against the Baron.

### Premier Okada Asks Support for a Ten-Point Program

Premier Okada's cabinet July 20 asked for the co-operation of the Japanese nation in its efforts to put into effect a ten-point

program whereby it hopes to "increase popular welfare at home and promote international amity abroad."

The ten points in the program are:

(1) Restoration of public confidence in the constitutional form of government by means of a a more rigid enforcement of regulations.

(2) Eradication of the abuses for popular unrest and disssatisfaction by the exaltation of the spirit of national unity.

(3) Improvements in establishments for national defense so as to meet conditions brought about by changing times and modifications in the international situation.

(4) Improvement of international relations.

(5) Restoration of national finances to normal conditions by endeavoring to balance income and expenditures.

(6) Improvement of popular living conditions by the taking of adequate relief measures, especially in agricultural districts.

(7) Promotion of industry by the application of necessary measures for the co-ordination and the rationalization of various branches of trade.

(8) Betterment of the educational system with particular emphasis upon the development of the national spirit.

(9) Tightening of the Japan-Manchukuo relations.

(10) Elimination of red-tape and unfair practices in the administrative branches of the government so as to keep in step with the times.

### Japanese Shipping Loses Heavily from Pacific Coast Strike

Damage of over two million yen in round figures is the estimated amount of direct sufferings experienced by the Japanese shipping concerns as a result of the general strike of longshoremen at the ports on the Pacific coast of America, since May 9 last. The loss suffered by the Nippon Yusen Kaisha and the Osaka Shosen Kaisha during the past two and half months is estimated at Yen 700,000.

Contracts providing for the sale of 357,000 piculs of sugar to be delivered in July and August were reported to have been signed between Chinese importers in Tientsin and Tsingtao and Japanese sugar companies July 20. This will bring the sugar exports from Japan to Manchukuo and China to about 2,000,000 piculs this year. It is stated that the suppression of smuggling from Dairen into Shantung has greatly facilitated legitimate business.

### Officers Who Took Part in Shanghai Campaign Are Promoted

Lieutenent-General Kenkichi Ueda, commandant of the Ninth division at the time of the 1932 Shanghai Incident, will be promoted to commander in chief of the Japanese garrisons in Korea. He will be replaced in his present post of vice-director of the General Staff by Lieutenent-General Furijo.

Lieut.-Gen. Kanichiro Tashiro, Chief of Gendarmerie in Kwantung Army, who had been Military Attache to the Japanese Legation in China and then Chief of Staff in the Japanese Army in Shanghai during 1932, is to be the Commander of the Gendarmerie.

Lieut.-Gen. Moto Sugiyama, Director of Army Air Force, is to succeed General Kenkichi Uyeda, of 1932 fame in Shanghai and become Vice-Chief of Army General Staff and also to be President of the Military Academy.

Professor Takahimo Tomoeda, of the Tokyo Bunrika University, will leave Tokyo for Berlin soon to take change of the the Japanese Scientific Society in Berlin, succeeding Dr. Genji Kuroda, Professor of the South Manchuria Medical College, who is returning from Europe.

### Japanese Woman Arrested for Sheltering Radicals

Because Miss Tsutako Mizuno regularly attended all the recent trials of Communists the Toyama police July 16 arrested her. They suspect that she sheltered radicals in her home while police were searching for them, and that in numerous ways she has been extended too much comfort to the foes of the existing form of Government. At the time authorities were searching for the radicals accused of executing spies, they were hiding in her home, police claim. When all were eventally arrested, she sent them comforts in prison.

The Yokohama Historical Research Society, composed mainly of high municipal officials and historians, held a memorial service at the Bluff at Yokohama July 13, in honor of foreigners who helped in the development of Japan or who lost their lives at the hands of samurai or ronins.

The training squadron of the Japanese Navy, composed of cruisers *Iwate* and *Asama*, which has been visiting various ports in the Southern Europe, since February last, was expected back at Yokosuka Naval port July 26.

The need for the establishment of a special government organ to deal with the question of naval disarmament is being studied by the Navy Ministry at the request of the cabinet, Premier Okada stated in an interview July 20 that should such an establishment be found necessary from the viewpoint of national policy, all ministries will be represented on it.

## Tokyo Awaits Decision of China to Readjust Foreign Debts

The Tokyo Ministry of Foreign Affairs, according to a Tokyo message of July 23, is eagerly awaiting official confirmation of the report that the Chinese National Government will make an early attempt to readjust China's foreign debts. Official quarters in Tokyo stated that the Japanese Government will be predisposed to accept any sincere effort on the part of China to adjust these obligations. While Tokyo does not expect immediate payment of every loan, a reasonable plan to liquidate them as soon as possible is desired.

## Farce—In the Upshot

*(Editorial in the Washington Post, June 14, 1934)*

An incident which brought battleships into play, and dangerously extended existing friction between China and Japan, now turns out to be a comedy fit for light opera. Those who were not immediately involved can enjoy a good laugh over the burlesque ending of the search for Vice Consul Kuramoto. But it is impossible to escape the very grim realization that this trivial incident might have resulted in international tragedy.

Mr. Kuramoto disappeared last Friday. Since he was a Japanese official in the Chinese capital suspicions were immediately aroused. Japanese warships converged upon Nanking. Armored tanks, followed by troops, rumbled through the streets of Shanghai. Tension was accentuated and new guards were thrown around the homes of Japanese officials in China. The Japanese foreign office, seldom lacking in presumption when China is concerned, announced that Japan would hold the Chinese government responsible for Kuramoto's disappearance "and for all the consequences arising from it."

In the midst of these alarming preparations, local farmers found the missing Japanese consul unkempt and starving in a Nanking cemetery, beside a tomb of the Ming dynasty. Thither, seemingly acknowledging the Chinese origins of Japanese culture, he had gone to commit suicide because he had failed to achieve promotion in the consular service.

Fate turned an incipient crisis into farce. But the world will note that the farce was very near tragedy. And it will recall from this incident that Japan started her aggressions in Manchuria on evidence as unproven as that which indicated that the Chinese were responsible for Mr. Kuramoro's disappearance.

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## A Vice-Consul Does His Bit for Peace

*(Christian Century, June 27)*

Only those who are familiar with the part which "face" plays in oriental life can begin to estimate the influence on far eastern affairs which the incident of the disappearance of the Japanese vice-consul in Nanking may have. To the rest of the world, the frantic scurrying about of diplomats and warships only to discover that the missing Mr. Kuramoto had been overcome with a desire ot go out into the suburbs of the Chinese capital and eat worms, may appear like one of the best plots for a comic opera to appear in the press in a long time. But to China, the episode may prove of more value than a victory in a campaign. Japanese truculence has been the most dangerous element in the whole dangerous far eastern situation. Now to have this truculence whipped up again, foreign ministries set on edge, warships sent steaming up the Yangtsze, marines and tanks marched through the streets of Shanghai, the apprehensions of the world aroused . . . only to discover that the disappearance was only Mr. Kuramoto's way of registering his resentment against the treatment being accorded him by his own superiors in the Japanese diplomatic service—well, it is going to be a long time before Japanese bellicosity can forget the homeric laughter of the east. It is difficult to foresee any roseate prospects for Mr. Kuramoto's subsequent diplomatic career. But in his own way, and pernaps unintentionally, the disgruntled vice-consul has probably made as important a contribution to the peace of the orient as has been made by any Japanese diplomat in recent years.

## Nanking to Issue Certificates of Domicile to Foreign Residents

For the better protection of foreigners at the Capital, the Metropolitan Police Headquarters is understood to have proposed to the Ministry of Foreign Affairs the issue of certificates of domicile to foreigners residing there. Foreigners living at the Capital should secure certificates of residence so as to enable the local police to better accord them due protection. The proposal is viewed by *Kuo Min* as an aftermath of the Kuramoto incident, when the Japanese Vice-Consul's sudden disappearance for five days caused so much anxiety to the Nanking authorities.

Reports having been received of several cases of persons being attacked and injured by wolves near the Sun Yat-sen Mausoleum, the Mausoleum Guards Bureaus is offering a special reward of $40 for every wolf killed.

# Gen. Chiang Kai-shek Issues Regulations for Private Planes

Gen. Chiang Kia-shiek has announced seven temporary regulations to apply to private airplanes owned by Chinese civilians. The issue of the regulations followed an application by Nie Wei-yeu to operate a private plane contributed by his friends bought from the Shanghai office of the Far East Aviation Co. Mr. Nei was formerly the Chief of Aviation Staff in Marshal Chang Hsueh-liang's camp Manchuria. At present he is a staff officer in Peiping Branch, National Military Council. The regulations, among other things, provide that the plane must be operated solely by the owner; if operated by others it will be confiscated; and the plane is subject to search when it lands at the appointed airfields.

The authorities in Canton have drawn up comprehensive measures for the improvement of air services in South China. The South-west Aviation Company, which was only recently inaugurated, is making rapid progres. The Company has a total of eight passenger machines and four new ones are now on their way to China. According to the plans of the Company five air lines are to be inaugurated in the near future. At present only the Canton-Lungchow line is in operation and is carrying both passengers and mails. Other lines contemplated are the Canton-Hainan Line, Nanning-Kweichow Line, Canton-Foochow Line and the Kweichow-Yunnan Line.

Lieut. Commander Frank Hawks, aviator of the United States Naval Reserve, on his arrival in Los Angeles last week from China stated in an interview that the Chinese Government now has a fleet of 300 airplanes and pilots who are highly trained and efficient. The flying corps is under the command of Colonel Jack Jouett, formerly an aviator in the United States army, who has accomplished wonders, Commander Hawks said.

Chinese volunteers who fought the Japanese in Manchuria following the September 18 Incident of 1931 are at present touring China on foot on a mission to arouse the interest of the masses in the cause of aviation reconstruction in China. The group of several hundreds, is headed by Chen Cheng-lung. In a circulat issued by the group upon arrival here last week they announced their objectives as expansion of the military aviation forces of the country, the construction of more airlines in the country, the training of more aviation personnel, the establishment of more aviation schools, the promotion of commercial aviation, the encouragement of aircraft manufacture and the raising of funds for the establishment of more aircraft plants in China.

The Chinese national aviation department has signed a contract with the Italian Caproni interests for the early construction of an airplane factory in China which will be somewhat similar to the Curtis factory now under construction at Hangchow. It was also reported this week that the Chinese authorities have purchased 20 Italian Savoia training planes.

After a seven-months' stay in China, most of which time was spent in Shanghai, Commandante Mario de Bernardi, Italian speed ace and stunt aviator, departed from Shanghai for Italy via Siberia end of last week.

### Japanese to Extend Air Lines to Formosa and South Seas

Takejiro Tokonami, Japanese Minister of Communications, is expected to ask about Yen 3,000,000 in the budget for his department for the next fiscal year, for the proposed inauguration of the Taiwan-Fukuoka, Tokyo-Sapporo, Japan-South Seas and Japan-Manchukuo air lines and for the establishment of more than ten airdromes.

To increase the ranks of trained aviators who can be called on in time of emergency, the Japanese naval authorities recently decided to give special flying instruction to university and college students.

An airplane built for the Japanese army by funds contributed by citizens of the district and only christened several days previously crashed in a rice paddy July 14. The mishap occurred while the plane was returning from the maneuvers at Tachikawa. The two pilots aboard escaped injuries.

A formation flight by 80 land and sea planes attached to the Japanese Combined Fleet, to Changchun and other cities in Manchuria, will be made in September. The Combined Fleet according to the present plan, is to visit Dairen and Port Arthur in September, when the record-breaking formation flight will be staged. Rear-Admiral Wada has been designated to command the aerial squadron, which will visit Changchun first and thence proceed to other cities in the interior of Manchuria.

### U. S. to Increase Airmail Mileage

U. S. postal officials are preparing for an increase in airmail routes. Official figures show that the total route mileage for the new service will be 28,429, compared wfth the 25,248 miles operating prior to Postmaster General Farley's cancellation of contracts.

Ambassador Troyanovsky, Soviet envoy to Washington, made a short flight at Chicago July 14 in the giant Sikorsky which is to be used by William Alexander and members of his expenition in their forthcoming flight across the South Atlantic.

### British Cabinet Approves Plan to Expand Air Force

The British Cabinet July 18 gave its final approval to the program for the expansion of the British Air Force. This is one of the main results of the failure of the Disaamament Conference to reach agreement on the limitation of arms. It is believed that about 50 squadrons, or 600 machines, will be added to the British Air Force during a period of years. The strength of the Royal Air Force at present is 890 first-line aircraft, or 910 with the additions already arranged in the present financial year.

A Singapore committee organized at the invitation of the Royal Aero Ciub of Great Britain has completed detailed plans for assisting competitors who take part in the great centenary air race from London to Melbourne.

Considerable criticism, especially in the League of Nations circles, has been recently directed against Great Britain for the use she has made of aircraft to enforce law and order in undeveloped territories, especially in South Africa. Flight Lieutenant E. J. Kingston-McCloughry in an essay that has been awarded the Gordon-Shephard Memorial Prize for 1933, and is published in the the July number of the *Royal Air Force Quarterly*, says: "Air control as a police force does not depend for its efficacy upon human casualties or wastage of property. Its value lies in the persistent interruption it offers to the normal flow of tribal life—a steady, ceaseless, remorseless interruption which, in the end, breaks down the most stubborn resistances. It brings a minimum loss of life and property in its train and no heavy toll of non-combatant casualties, for never is a village bombed without warning."

The Soviet flier Evdokimov bas established a new world record of a parachute descent with delayed opening of the parachute. Diving from a plane at the altitude of over 26,500 feet, he fell down 25,900 feet in 142 seconds, without opening his parachute, and opened it only at the height of about 650 feet.

Flight-Lieutenant H. M. Schofield, the favorite, won the King's Cup Air race in England in a Mono-Spar machine.

A new fighting plane, equipped with British engines and capable of climbing as high as Mount Everest in 19 minutes, was the principal feature of the air meeting at the Soesterberg military airdrome at The Hague July 14.

### Inperial Airways Get Exclusive Landing Privileges in Newfoundland

The plans of the Pan-American Airways to establish a trans-Atlantic air service have received a set-back as the result of the British Government granting exclusive rights to the Imperial Airways to land in Newfoundland—this despite assurances previously given by the British ambassador in Washington that no discrimination would be shown. The State Department is investigating the matter and well-informed sources in Washington state that it is entirely possible that it is contemplating taking measures of reprisal, such as the refusal to British planes of permission to land on American soil.

### The Airplane as an Aid in the Sovet Fur Industry

Tens of thousands of valuable sable, hermine, polar fox, wolf, beaver, fox, otter, and silver squirrel furs, are obtained in the far Soviet North. With the advent of warm weather, consignments of these valuable goods are transported to the south, mostly by of airplanes. The planes are also used to transport live animals, such as silver foxes and others.

The Manchukuo Foreign Office July 17 lodged a strongly-worded protest with the Soviet Consul-General at Harbin, against the scouting of a Soviet military aeroplane, which was seen flying over Pogranichinaya for eight minutes from 2.30 p.m. the previous day.

## Police Powers in Hongkew Discussed by "China Press"

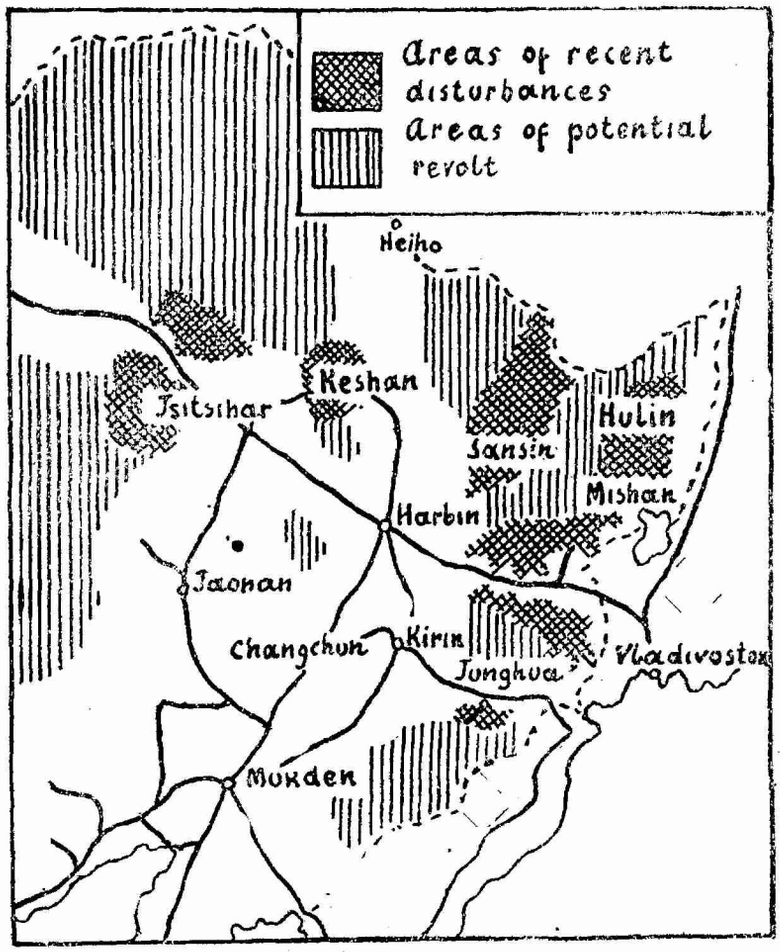
The *China Press* July 14 in an editorial sharply criticized the Shanghai Municipal Council for "stubbornly refusing to allow the public to know anything about the situation created at the end of June when the Japanese Naval Landing Party took over policing powers to the extent of imprisoning municipal police officers and non-Japanese civilians."

The *China Press* comments that "it is inconceivable that the events which led to what was actually a reign of terror in the Hongkew District should not have been discussed. The Council apparently believes that the whole thing may be pushed out of sight by means of a departmental enquiry, of which the public will be permitted to know nothing. We can assure the Council that the matter will not be allowed to end thus. The community is entitled to know whether this enquiry has resulted in increasing or decreasing the efficiency of municipal policing in the Hongkew area."

# Manchurian "Bandits" Now Enjoy Initiative of Action in Struggle with Japanese Forces

*(From the Review's Harbin Correspondent)*

ON March 17 of the present year the writer contributed an article to this journal dealing with the so-called "banditry" situation in Manchuria which showed that Japan's conquest of China's former northeastern provinces had achieved little actual success further than the military occupation of the railways and leading cities. In other words there had been little success in the all-important pacification of the Chinese inhabitants, this being proved by the so-called banditry situation, which is merely another name for open or potential opposition to Japanese control.




**Little actual progress in the pacification of Manchuria. This map, based on authoritative information, indicates quite clearly that Japan's conquest and pacification of Manchuria is far from being completed. Areas which were in open revolt six months and a year ago are still in revolt and the accompanying article shows that "banditry" actually is on the increase and that the so-called bandit gangs now enjoy what military tacticians term the "initiative of action." Students of the Manchurian situation should study this map in connection with the other map shown herewith which was based on conditions prevailing at the beginning of the present year.**

Recently there has been a great increase in the activities of these so-called "bandits," an increase, which from a military point of view might be designated as "initiative of action." Owing to these significant developments, the evidence of which is all too apparent in the reports appearing in the Japanese newspapers, both in Japan and in Manchuria, it has been necessary for the Japanese Kwantung army to again renew its activities on an extensive scale. One potent reason for this is the approaching "kaoliang" season, meaning the time of year when the kaoliang crop reaches maturity and the tall stalks of this leading Manchurian agricultural crop serve to conceal the activities of the bandit or insurrection gangs. It is in this season that Manchurian banditry always becomes worse, but this year the situation appears to be greatly aggravated by the tendency of the smaller bandit gangs to coalesce into larger forces, which in many instances have forced the Japanese troops into a defensive position.

In previous articles on this subject, I have established the fact that the farther the district from communication facilities, the harder seems to be its pacifying, which dictum still holds good, because, as facts show, the anti-Manchukuo disturbances are still widespread and seem to be deep-rooted in outlying districts, access to which is hampered by natural obstacles. Another fact established is that the struggle in Manchuria has taken on the character of distinct and perpetual guerilla warfare, carried on by small groups of "bandits" appearing at places least expected, and dispersing before any move to suppress them has been taken by their opponents.

That such small, well armed, and quickly moving bandit groups, having a peculiar discipline of "brotherhood," still do exist, and carry on their depredations practically unhampered, leads one to think that they find support and friendly assistance from the populace itself, which is certainly true in regard to supplying the bandits with information on the movements of the "government" troops. This situation is especially apparent in the north-eastern corner of Manchuria, a large district lying to the north of the C.E.R. line and in between the Sungari and Ussuri rivers, where bandits, as a matter of fact, reign supreme. Here, the populace seems to recognize Manchukuo only in the presence of the "government" troops, and, as soon as they move away, invariably turn "bandit." General Hirose, once in command of a division in Harbin, referring to this situation said that, in order to keep the semblance of peace and order in the district, he had to post as many as 100 garrisons, their strength varying from 5-6 men to 150-200 men, "who," he said, "in endless bandit chasing operations, had their time fully occupied."

### Bandits Have "Initiative of Action"

At present, from the military point of view, the bandits undoubtedly have the "initiative of action," which means that they have placed the "government" troops in a position of defence, when the troops do not know where and how the bandits are going to strike. Once having this advantage, the bandits make the best of it, which is especially apparent in the north-eastern corner of Manchuria, just described as the "bandit" kindgom.

Reviewing the recent bandit operations, a certain authority of the Kwantung Army is reported to have said that, according to his opinion, the bandits have, since some time ago, adopted different tactics. "Previously, they were operating in small bands, rarely exceeding 50 men, but since a month or two ago, they are gathering in larger groups of 400-500 men, all well armed, and trained," he said. This led him to think that they are receiving moral and material assistance from a "certain neighboring country," where in his opinion, the "bandits are being trained, armed, and then smuggled into Manchuria for the special purpose of creating here endless chaos and lawlessness."

As is well known, no serious student of Manchurian affairs has ever placed any faith on the fidelity of Manchukuo soldiers, on their loyalty to their "government," and its "eastern neighbors," which has fully been vindicated by recent developments in the bandit suppression campaign, when several units of the Manchukuo Army revolted and joined the bandits. On the part of Manchukuo soldiers, a desire to turn to banditry seems to be especially strong, and almost irresistible, whenever they are placed in isolated garrisons, away from the populated centers, and when there is no Japanese garrison in the neighborhood, so that, as a matter of fact, the Japanese must keep good eyes not only on bandits and their activities, but on their Manchukuo "allies," as well.

In succeeding lines, I recount several major drives of the Japanese-Manchukuo armies against bandits, undertaken since March last, it being understood that each drive is a complete military enterprise in itself, having its own history,—so to speak,—and participated in by considerable forces. All minor incidents, as ambuscades, clashes of small parties, etc., are excluded entirely, as well as the military expeditions in Jehol Province, which have never been recorded since the beginning of these reviews.

### The Lower Sungari Region

The scarcity of official announcements with regard to military campaigns in this region renders the recording of different drives to be extremely difficult. Up till March, 1933, this region had not at all the attention of the Japanese high command, then the Japanese troops being engaged on other fronts, so that, for a considerable time, the district was practically under the bandits' sway. Only in March, last year, they launched a first drive here, which lasted the whole spring and summer, and ended, or rather received short respite, only in November, 1933, However, it was entirely ineffective to bring about the "pacification" of the country, so, two more military drives were taken up, and practically with the same result.

*Thirty-first Drive*

*Objective :*—Clearing the Sungari valley from countless bandit gangs, driven therein from the region to the south of the C.E.R. lines (a second major drive in this region).

*Commenced :*—January 25, 1934, ended March 1, 1934.

*Troops :*—Two detachments of the Japanese troops under and of Col. Iizuka and Col. Yoshizawa, probably a brigade strong, set out from Fuchin and Boli, respectively, and after several encounters with "rebels" on the way, united on January 29. Opposed by Kao (escaped into the U.S.R.R.), San Dian (wounded), and several other Chinese and Korean leaders. Noted battles at Tinchunhao, Chaohe, Chiamissu, etc. Col. Iizuka established his headquarters at Chiamissu. Generally, operations were directed by Gen. Kano, chief-of-staff of the 10th division, with headquarters at Harbin, for which purpose he flew over the district, directing the troops from the air.

*Thirty-Second Drive*

*Objective :* Clearing the Sansin district from bandits once again.

*Commenced :* March 10, 1934, ended about April 10, 1934.

*Troops :* No sooner had the Japanese settled down at all strategic points along the Sungari than a revolt took place in the rear, at Tulunshan, near Sansin, where 40 bandits killed 2 Japanese civilians, and a number of native police-men. At the head of only 16 soldiers, Col. Iizuka set out from Chiamissu to quell the rebellion, but was waylaid and killed together with all his soldiers, in which the bandits were assisted by the Manchukuo garrison of Tulunshan (under Li Yu-chiu). A few days after, the Yoshikawa and Sooki detachments arrived on the scene and, after sanguinary battles, drove the bandits eastward from Tulunshan (100 bandits were killed). Apparently, this operation was entirely insufficient to quell the rebellion, so a brigade under Hiraoka (a unit of the 10th division) was moved from Harbin and elsewhere, which after a whole day battle near Tulunshan finally uprooted the rebels and drove them eastward. Reported casualties; bandits—200 killed, Japanese—21 killed, and 53 wounded. According to Japanese reports, bandits were 1,200—1,300 strong, all well armed and trained. In succeeding cleaning up operations, the whole district of Tulunshan was reported to have been laid waste.

*Thirty-Third Drive*

*Objective :* Clearing the Lower Sungari region from small bands of rebels led by Shan Bin-to (a fourth drive in this region).

*Commenced :* May 13, 1934, ended in the middle of June.

*Troops :* The Japanese-Manchukuo troops of unreported strength, assisted by gunboats, were engaged in chasing bandits, who fled eastward to Hulin. Their leader, Shan Bin-to, is reported to have fled into the U.S.S.R., leaving his band of 1,500 rebels somewhere between the Ussuri and the Sungari rivers.

### The Ussuri Region

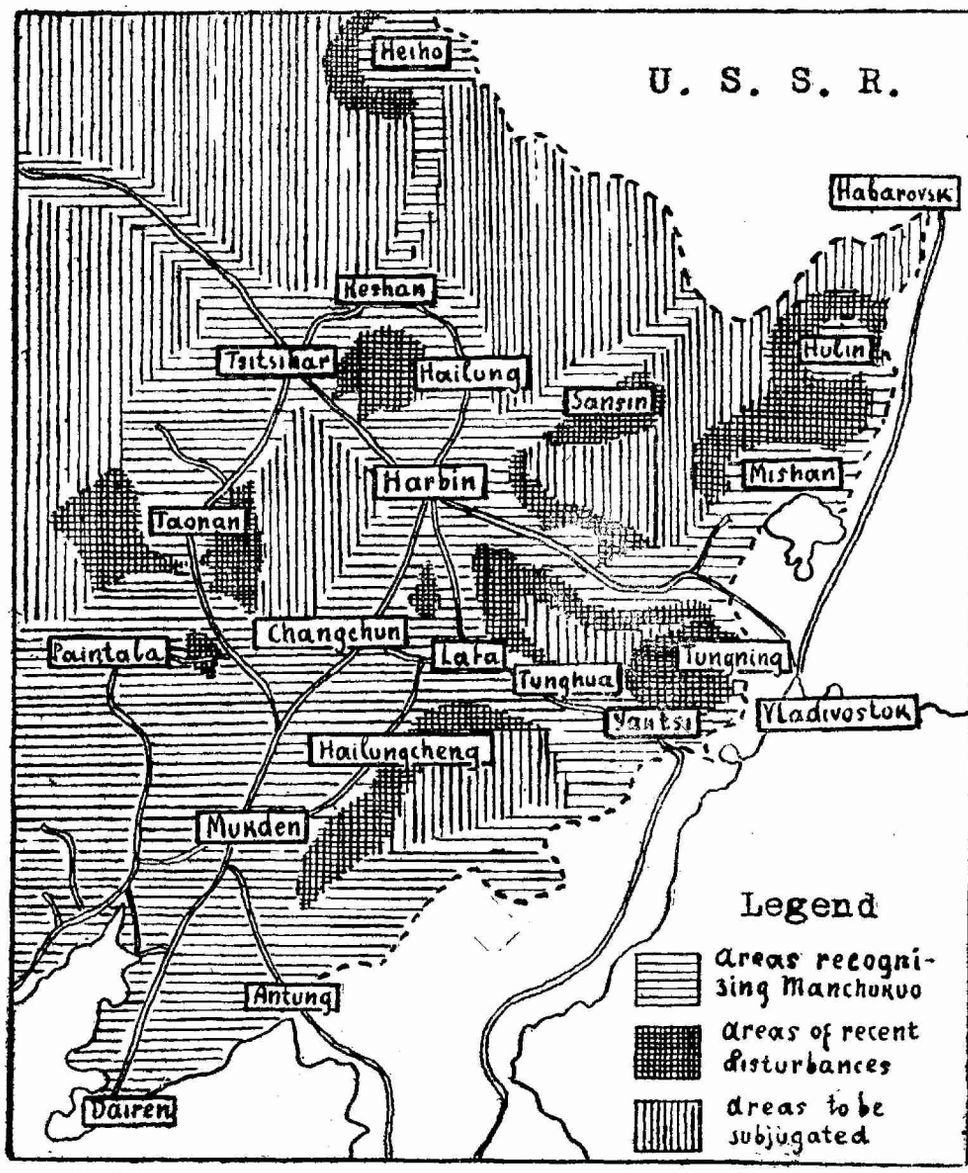
Despite five major military drives into this region, namely, that of January, April, June and October of 1933, and January of this year, and subsequent reports that bandits had been driven away from their "kingdom," a serious situation developed here in the latter part of January, when the rebels reappeared again, swooped down Hulin, and laid siege to it, completely locking up the Manchukuo troops therein, which necessitated the sending of another Japanese expedition into this district.

*Thirty-Fourth Drive*

This drive should be considered as the continuation of the 24th drive, commenced on January 15, 1934, and aimed at reconquerring the Mishan-Hulin district (a fifth attempt).

*Ended :* February 1, 1934.

*Troops :* The Sonobe brigade of the 10th division started from Pamiantung via Lishunchen on the C.E.R. towards Mishan and Hulin, the latter place being under siege of the rebels commanded by Chang Ting-tau. Numerous battles, participated in on the Japanese side by the Nakamura, Matsui, Ando, and Hitomi detachments. The rebels, being unable to take Hulin, raised the siege and escaped into mountains.




**Conditions at the beginning of the present year—This map of conditions in Manchuria at the beginning of the present year, shows that Japan's conquest and pacification of Manchuria have extended little further than the actual zones of the railways which are garrisoned by Japanese troops. This map appeared originally in "The Review" on March 17 with an article which summarized the so-called "banditry" situation prevailing at that time. Another map of similar character, also shown herewith, indicates there has been little actual improvement and that areas which were in revolt or potential sources of revolt at the first of the year, are in a similar status today.**

### The C. E. R. Eastern Line

In view of constant "bandit" operations, it is safe to say that the region, lying on both sides of the Eastern Line of the C.E.R., is a scene of constant warfare. In fact every derailing and looting of trains, and every attack on stations should be considered as a separate operation, invariably ending in the running away of bandits into mountains. Up to December 1, 1933, the region was visited by five Japanese expeditions, they returning from each of them with high-sounding reports of the complete annihilation of bandits. On the contrary, the latter developments in this region give ground to think that the bandits have become more active here than anywhere else, therefore there is every reason to believe that, in the forthcoming "kaoliang" season, the region will be a source of constant anxiety on the part of the Japanese high command.

*Thirty-Fifth Drive*

*Objective :* Clearing the C.E.R. Eastern Line from bandits and anti-Manchukuo elements (a fifth attempt).

*Commenced :* In December, 1933, and still continues.

*Troops :* Various units of the Japanese—Manchukuo armies, assisted where possible by police and gendarmery, are engaged in the endless chasing of bandits and allied forces from the C.E.R. line, their attacks defying any kind of classification. Since the bandit operations in this region have become too frequent of late and are perpetrated without any visible plan or coordination, the only way of their recording seems to be recounting them in chronological order, which follows : :—

Jan. 17.—The railway track was damaged by bandits at a point between Hendaohedzu and Shansi stations.
Feb. 1.—Train No. 93 was derailed and looted by bandits on the Imianpo-Weishaho section (hostages taken).
Feb. 14.—Near Hendaohedzu, the Yokota detachment had a battle with 300 well-armed bandits commanded by Wu Shao-wu (bandits taken prisoners).
March 12.—Near Luckashevo, an attempt to derail the train was frustrated, the bandits escaping into mountains.
March 25.—Near Echo, a Russian village was attacked and ransacked by about 100 bandits under Wang Tu.
March 26.—Between Suifenho and Hsiaosuifen, a band of about 500 well armed and disciplined bandits were seen staying for the night, who on the morning moved away without committing any act of violence.
April 10.—Near Ninguta, a band of about 50 bandits attacked and thoroughly looted the office of Yamomoto Gumi, killing one Japanese.
April 17.—A bomb exploded under a Japanese military train at a point near Hendaohedzu (no casualties, the bandits running away into mountains).
April 19.—A band of about 500 bandits attacked a service train at a point between Tai pinlin and Hulmihe stations. They withdrew after a small enconuter with the train guards. No casualties.
April 24.—Bandits attacked and thoroughly looted Sochindzu station, escaping with hostages.
April 24.—Imianpo was attacked by a gang of about 45 bandits, who having set on fire a few houses fled into mountains.
May 1.—At Echo, 20 "Manchu" soldiers revolted, killed three White Russian machine-gunners, and decamped to join a band of bandits, then bivoucaked behind a hill.
May 5.—Undzimi station was attacked and looted by bandits, who escaped into mountains.
May 5.—Maorshan station was attacked by bandits, who after a short encounter with guards fled into mountains. Casualties—one killed, one wounded.
May 6.—Train No. 92 was derailed and looted at a point on the Imianpo-Weishaho section of the railway.
May 26.—On the Imianpo-Lukashevo section, bandits attacked a group of repair workers (many casualties among the bandits, workers, and soldiers).
May 26.—Near Pamiantung, a Japanese military train was derailed and attacked by a gang of about 400-500 bandits, who after a severe encounter escaped into mountains (12 Japanese were killed and 26 wounded). The Yoshimoto detachment arrived on the scene, but too late to find any trace of bandits who fled into mountains.
May 29.—Udzimihe station was attacked by about 100 bandits, who after an encounter with the guards moved away leisurely into mountains.
June 1.—A train was derailed and looted near Yablonia (hostages taken).
June 2.—Hendaohedzu station was attacked and looted by bandits (hostages taken).
June 8.—A gang of about 150 bandits attacked Yablonia, but were repulsed by the Russian self-preservation corps.
June 8.—A small gang of bandits attacked a beer brewery in the outskirts of Hendaohedzu, but having met with a stout opposition of Russian watchmen withdrew.
June 8.—Udzimihe village was attacked and looted by bandits (hostages taken).
June 12.—Lodahedzu was attacked by bandits, who withdrew only after a long encounter.
June 17.—The military train No. 52 was derailed at a point on the Hendaohedzu-Shansi section. The bandits withdrew only after an hour long battle with the troops.
June 19.—Yablonia was again attacked by bandits, who were again repulsed by the Russian self-preservation corps. Wang Do, the bandit, leader, was killed.
June 23.—Train No. 92 was derailed and looted between Weishaho-Yablonia stations (hostages taken).
June 23.—Near Taipinlin, an attempt was made to derail and loot the train No. 3, but failed.
June 24.—A goods train was derailed and looted at a point between Taimagou and Pelinghe stations (hostages taken).
July 8.—Train service completely stopped on the Eastern Line of the C.E.R., due to the track having been torn up by bandits at three places. No tidings of places beyond the Hulin station.
July 14.—Near Imianpo, a goods train was derailed and looted (many casualties, hostages taken).
July 14.—Lidahodzu station was raided and looted (hostages taken)

### The C.E.R. Western Line

Comparative quiet reigned during the period under review in this region, there being only two instances of derailing and looting of the international trains proceeding from Harbin to Manchuli, when several foreign diplomats and journalists narrowly escaped from being taken by bandits as hostages.

**Map Showing Railway Systems of Manchuria and Korea.—See article dealing with Japan's railway program on page 355 of this issue.**

*Thirty-Sixth Drive*

*Objective :* Clearing the Western Line of the C.E.R. from bandits (a fourth attempt).

*Commenced :* January 18, 1934, and ended within a week or two.

*Troops :* A Japanese unit under Ikimori chased away bandits who on January 17 wrecked the train No. 3 at a point between Hsiaohodzu-Yangtsutung.

On March 25, another isolated drive was undertaken by Manchukuo troops against 500 bandits, who reappeared again near Anta, and started to loot the country-side. Bandits fled northward.

### The Keshan Region

*Thirty-Seventh Drive*

Though this region had been visited, since the Manchurian incident, by three Japanese expeditions, the fourth one had to be taken up in March, this year, against 4,000 Red Spearsmen, commanded by Sui, who engaged the 20th Manchukuo brigade in a number of battles. The bandits dispersed, or simply buried their weapons, and turned, for a while, to agricultural pursuits.

(*Continued on Page 355*)

# Deadlocked Sericulture Industry Shakes Foundation of Japan's Social Economy

*By the Review's Tokyo Correspondent*

*(Translations from various Japanese publications)*

JAPAN, as is insisted on by leaders of the country, is a country of agrarians, and the living conditions of farming community are a barometer of the welfare of the country. For neaaly a decade the industrious agrarians have toiled under a heavy burden, giving birth to a number of tragedies. This has been principally due to the precipitate fall of cocoon prices, half of the agrarians of the country being engaged in the sericultural and silk reeling industry. Amidst such helpless conditions the much-fussed-about first spring cocoon market at Numazu City was opened, producing a pitifully low price—which is a new record in this market. This having proved an alarm-bell, apprehension began to prevail all over the country—not merely among the farming community but in all strata of society.

As to the long continued suffering of the soil-tillers of the country much has been reported and discussed in various publications.

As a most handy proof of the deadlocked state of sericulturalists, the *Osaka Mainichi* reported in its June 24 issue the following incident: An executive committee representing the Gumma prefectural mass meeting of cocoon raisers held at Maebashi City a few days ago, arrived in Tokyo on June 22. With their headquarters established at the Silk Hall, they approacned the Premier, and the Agriculture Minister, as well as the presidents of the Seiyukai, Minseito, and Kokumin Domei to call an extraordinary session of the Diet to deal with the silk crisis, and they also approached the central silk organization in Tokyo to convene a national convention of silk enterprisers to find a way out of the prevailing acute depression. The *Tokyo Asahi* stated in its June 12 issue that the crisis of sericultural industry would be reached sometime this autumn, while the *Osaka Mainichi* reports in its June 23 issue that the Agricultural Office had decided to demand the convocation of an extraordinary session of the Diet to map out a plan for dealing with ericulture problem.

The articles given below from responsible Japanese publications will disclose how far the industrious silkworm raisers have been chased up and how difficult it is for them to make both ends meet.

### Sericultural Industry Going to Ruin

*(Asahi, June 12, Economic Section)*

The yearly output of cocoons is roughly put at 50,000,000 kan each for spring and summer-autumn crops, totalling 100,000,000 kan. Consequently 1 yen difference in price will create 100,000,000 yen difference in total. How this enormous difference will affect the pockets of two million sericultural families of the country can easily be understood. That the price of cocoons, which has a vital interest for the Japanese agrarian community, is decided by the American market situation, is really regrettable.

In 1920 the price of raw silk soared up to Y.4,000 and the cocoons were marketed at Y.11. Later, the cocoon and silk prices traced a downward movement and ever since 1930 they have continued making sharp declines year after year. The raw silk this spring was transacted at a little over Y.500 and the cocoons at from Y.2.50 to Y.3.00. Thus, as far as the spring cocoons are concerned, the income of the silk-raisers was decreased by Y.150,000,000 to Y.200,000,000. What a big loss this is. We cannot but tremble at the thought of how the summer-autumn cocoons now being raised will be disposed of.

The prospect of the development of the consumption in America is still hazy and we have to keep up a watchful waiting attitude but there is no denying that the frantic advance of the rayon industry has nearly suffocated the silk industry. Raw silk is practically powerless before the ruthless invasion of rayon and this in turn affects the sericultural industry.

According to investigations made by the Imperial Agricultural Society the production cost of spring cocoons is Y.3.40 and that of summer-autumn crop Y.3.85. When compared with the foregoing qutations, these figures indicate that the silk-raisers are disposing of their product below cost.

It is a question how far the various Government countermeasures would work toward improving the deadlocked sericultural industry. The summer-autumn crop will be placed on the market at the end of July and during August. In view of the past experiences showing that a crisis in the sericultural world generally advents all of a sudden, we advise the Government to do its utmost to successfully meet the situation.

### Unprecedented Slump—and Its Counter-Measures

*(Mainichi-Nichi Nichi, June 23—Editorial)*

The amount of revenue from cocoon raising directly affects not only the purchasing power of the rural folk but the general economics of the nation. The quotation at the Numazu market this year showed the unprecedentedly low level of Y.2.80 for white cocoons and Y.2.62 for yellow cocoons on the average—a surprising fall when compared with the average price of last year in the same market. This is a fall of more then Y.3.00 from last year's rate. And the as total output of spring cocoons this year is estimated at about 48,000,000 kan. This means a loss of about Y.150,000,000 to silkworm raisers. We can readily appreciate the enormity of the blow the former will have to suffer. With the arrival of summer cocoons the silk-raisers' condition will be made still worse and the general state of affairs among farmers aggravated.

As a counter-measure the Government in addition to its various plans intends to carry out a curtailment of summer cocoons by 30 per cent, but the effect of the measure is open to question. The subsidy of Y.2,650,000 for encouraging the joint storage of the dessicated cocoons has been all spent on the spring cocoons alone. There is nothing left for the summer cocoons. What is still worse, 8,000,000 kan will be carried over from the preceding year, when the dessicated cocoons for this year total 15,000,000 kan; or 23,000,000 kan all told. Unless some reliable measures are formulated at this juncture for the summer cocoona, further fall in the price of cocoons can never be prevented.

### Farmers Hemmed In By Cheap Cocoons And Soured Up Rice

*(Mainichi-Nichi Nichi, June 23—Economic Section)*

(The following is the summary of two different articles appeaing in the economic columns of the *Osaka Mainichi* and *Tokyo Nichi Nichi*.)

In the face of the cocoon quotation threatening to break down through the 2 yen level, the Government is expected to call an special session of the Diet and formulate proper counter-measures. But, since the basic question confronting the Government is how to dispose of the 20,000,000 kan cocoons carried over, it is feared that it is not an easy task to prevent the arrival of a crisis. As a emergency measure the Government is expected to enforce a 30 per cent cut in the summer-autumn cocoon crop, though it is open to question haw far such a lukewarm practice will prove beneficial to the straitened situation.

In addition to the record low price of cocoons the price of rice has been making a steady advance. According to the inquiry made by the Imperial Agricultural Society in 16 prefectures, from 15 to 30 per cent of the farming houses have already run short of their eating rice. As the principal causes for the early exhaustion of eating rice by farmers we may point out: (1) financial stringency, (2) insufficiency of production, (3) difference in the market prices of agricultural products and general commodities, (4) heavy burden borne by agrarian population as a whole (5) relative high rent paid by tenant farmers, (6) accumulation of debts and (7) natural calamities such as snow, drought, etc.

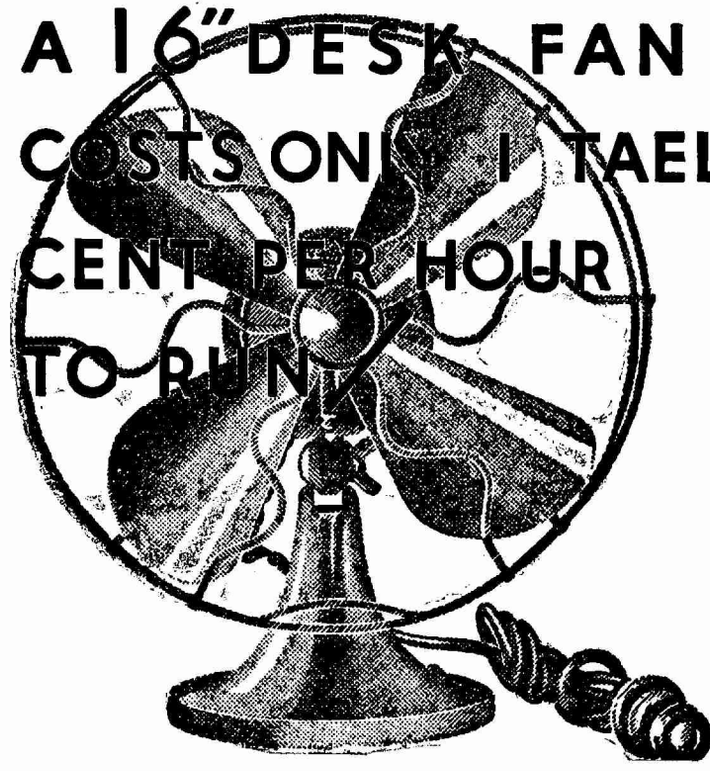
Under such circumstances, the miserable conditions in the sericultural districts, which cover the whole country, are more than we can imagine, and it is apprehended that the continued low price of cocoons and high price of rice may bring about an unforeseen social trouble in towns and villages.

### Business Boom in the Face of Ruined Silk Industry

*(By Mozaburo Suzuki (鈴木茂三郎), Yomiuri, June 25)*

The capitalistic world of Japan is now in full bloom, thanks to the continued outflow of manufactures into overseas markets and the prosperous munition industry all over the country. The warm breeze of a business boom, however, does not reach the gereral public; not a semblance of business improvement is felt by the masses. All the profits coming from such sources are being absorbed by a small number of capitalists; the military expenditure is defrayed by national bonds which are eventually thrown upon the shoulders of the people, while dumping is made practicable by the cheap wage

A 16" DESK FAN
COSTS ONLY 1 TAEL
CENT PER HOUR
TO RUN



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and overtime work of the laborers. Added to this already deplorable situation came the agrarians' crisis in consequence of record low price of cocoons.

To enhance trade promotion by means of social dumping the Commerce Office knowingly sacrificed laborers; to protect the raw silk trade the Agriculture Office took no notice of the straitened condition of sericulturalists. At the bottom of the business boom there lies the hidden misery of the general masses.

Saito Cabinet must necessarily be succeeded by a ministry which, instead of bringing a business boom to a limited number of people will establish a sound policy for the sericultural community.

### Helpless Conditions of Silk and Cocoon Markets

*(Osaka Mainichi, June 16)*

Raw silk futures on the Yokohama and Kobe exchanges declined to Y.497 on June 14, the lowest level in the past two years. Calculating with the raw silk price at Y.497 and the wages and other charges of reeling estimated at Y.150, the "kakeme" of cocoons comes up to about 23 "kake" while they are actually transacted in some places at 20 "kake." In the Yokhaichi market even such an exceptionally low price as 17 "kake" was reported; the quotation, when converted into terms of raw silk, comes down to about Y.422. This incidentally reveals the fact that the current low price of cocoons is the cancer of the raw silk market, especially as 40,000,000 kan, or a good deal more than 320,000,000 lbs. of 1934 spring cocoons, have been added to the stock of 8,000,000 kan of old cocoons. Every available measure is already being taken to find a way out of the present acute state of affairs, but the intervention is not proving effective. Included among these measures there is a plan of promoting raw silk consumption abroad by appropriating a Y.1,000,000 propaganda fund to be collected from among the reelers. It is regarded as doubtful whether the reelers can afford to pay the demonstration expenditures, and it is also held doubtful whether the advertising campaign would have the desired effect. As regards the domestic measures, the supply restriction was put into effect in February this year, in order to boost the market quotation, but this has proved a failure. The view is gaining ground of late that control of the cocoon output is the only effective measure to regulate the market.

### Living Conditions of Silkworm Raisers

*(By Tsunao Inomata (猪股津南雄), Kaizo, July)*

I have just finished an extensive travel all over the principal sericultural districts of Japan Proper. This year's crop is quoted at about Y.2.50 per kan which is far below the production cost. No doubt the silk-raisers are completely chased up to an extremity. They are not merely hard up for pocket money but a number of them stand on the brink of losing their cultivated land handed down from their forefathers, or have no money to buy rice for themselves and their little ones. In other words, the lowered price of cocoons threatens to shake the very foundation of the agrarians' living.

It is true that from 1918 to 1925 the profit gained by the sericulturalists was enormous, but it is also a fact that most of them recklessly spent all the earnings on either purchasing land or enlarging factories looking vainly forward to the arrival of brisker business. Since about the year 1926 the price of cocoons began to sag, until it stood at Y.4 per kan in 1927. Since 1927 the price has continued to go down and during these 8 years the farmers have accumulated an enormous loss.

In the sericultural districts of central part of Japan it is not rare that nearly two or three hundred kan of cocoons are raised by one family but in some other districts the amount of cocoons raised by one family is 20 to 30 kan. As thus the sericultural industry of the country is done on a small scale—mostly a family undertaking—the depreciation in cocoon prices is directly vital to agarians. Just think of the fact that half of the cocoons realized is spent for farm rent! A few years ago a Shinshu farmer carried cocoons of his raising to the market for sale. Upon seeing the fruit of his toil being priced at Y.1.80, which was far below the cost, he flew into a rage and threw the cocoons into a brook on his way home. Presumably, the silkworm raisers of this year would like to pick up the floating cocoons from the brook!

People may imagine the silkworm raisers could quit such an unprofitable business and take up a plough, but the fact is that they are economically too helpless to make a new turn; they have willy-nilly to hold fast to cocoon raising. In want of sufficient manure, mulberry trees in various plantations made no healthy growth. It is probably due to the lack of mulberry leaves consequent upon lack of proper protection and to the lack of funds for making due preparations for raising worms that the spring crop of this year saw a 3,600,000 kan decrease.

# Will W. W. Yen and Wellington Koo Return to Their Posts?

BY PAUL K. WHANG (汪仲芳)

BOTH Dr. W. W. Yen, Chinese Ambassador to Moscow, and Dr. V. K. Wellington Koo, Chinese Minister to France, are now in China on furlough. The former came back on February 3 this year and has since concluded his stay on the plea of his poor health; while the latter arrived on July 7, ostensibly for the purpose of attending to his personal affairs, and was quoted as saying that he would return to his post in four or five months. Both of them have rendered great services to their country, and have successfully represented China in many international gatherings in the past two decades. Their last achievement in vindicating China's rights vis-a-vis the Manchurian issue represents but one of their many diplomatic successes. Therefore to them, China has owed a great debt which will long live in the memory of the Chinese people.

Both Dr. Yen and Dr. Koo, it may be recalled, lived a life of retirement when the Japanese launched their invasion of Manchuria in September of 1931; and they were called to the national service to relieve Dr. Alfred Sze, who had been compelled to resign as China's chief delegate to the League of Nations on account of his poor health. Both of these veteran diplomats answered the national call, and accepted the appointment without hesitation. They proceeded to Geneva with the fate of China in their hands, and fought a hard battle in defending their Fatherland. Their bravery and patriotism have left a deep impression upon the minds of the people, and will always serve as an inspiring example to our present and future generations.

Besides serving as China's delegates to the League of Nations, they rendered other valuable services to their country at this time of national crisis. Prior to his going to Geneva, Dr. Koo served as the Chinese Assessor to the Lytton Commission. In playing that important role, he succeeded in making the members of the Enquiry Commission of the League of Nations appreciate fully the Chinese side of the problem, thus enabling them to pronounce an impartial verdict on the Manchurian issue. Although the Lytton Report can not save Manchuria for China, it, however, has confirmed the condemnation of Japan as an international highway robber.

**Dr. Yen Arranges Resumption of Relations with Russia**

Dr. Yen, on the other hand, scored a diplomatic success over the Japanese by successfully arranging the resumption of diplomatic relations between the Soviets and China. It was generally conceded that had the Soviets and China been on friendly terms, Japan would not have had the temerity to invade Manchuria. Although this contention is highly questionable, the fact that the strained relationship between the Soviets and China would bring good to neither in face of the Japanese aggressions is patent to all. In face of acute foreign invasion, China is in need of moral support of all the friendly Powers, and therefore Dr. Yen's achievement in this direction has been looked upon as a highly diplomatic success.

These two diplomats, because of their education in the United States and present connection with the League of Nations, will be certainly classified by the Japanese as of the pro-America-and-Europe faction or pro-League elements. And as such, they are persona non grata with the Japanese Government. The Japanese, as a matter of fact, have watched their diplomatic successes jealously, and at the time when Dr. Koo was the Chinese Assessor to the Lytton Commission, they even opposed his entry into Manchuria. They can not rest with ease, so long as the Chinese diplomatic affairs are in the hands of the so-called pro-America-and-Europe-faction.

As a first step to destroy the power of the pro-America-and-Europe faction, the Japanese brought pressure upon the Chinese Government to remove T. V. Soong and Dr. Lo Wen-kan, Ministers of Finance and Foreign Affairs respectively, from their offices. With the chief elements of the pro-America-and-Europe faction removed from the government and the ascendancy of the pro-Japanese elements into power, the Chinese diplomatic representatives in foreign countries will have to either follow the new foreign policy or quit their offices. With these in view, we can not help entertaining doubt if Drs. Yen and Koo will return to their respective posts in future.

At the time of signing the Tangku Truce in May last year, the rumor was already current that Drs. Yen and Koo had intended to tender their resignation to the government because of their dissatisfaction with the foreign policy of the Nanking Government. The allegation of their dissatisfaction seems to have some connection with their present return. For they can not continue to fight in upholding China's cause, if their own government should surrender itself abjectly to the Japanese. Moreover, diplomats can not be expected to fight their own battles without the support of their own government. They would make themselves ridiculous in the eyes of the world, if they themselves pursued a certain policy while their own government should resort to an opposite policy. Unless they can forget their own conscience and reconcile themselves with the new order of things, they must follow the course of resignation so as to extricate themselves from embarrassment.

From the above we can deduce the reason why Dr. Yen should refuse to return to his post on the pretense of sickness. He has already been in China for more than six months, but has given no promise of his immediate return to his important post. While the diplomatic relations between the Soviets and China have been resumed through his efforts, there are still many Sino-Soviet issues which need his immediate attention. In view of his well-known courage and patriotism, we have doubt if his delay in returning to his post has been really caused by sickness.

**China May Lose Services of Two Outstanding Diplomats**

Rumors also have it that Dr. Koo is going to resign from his post. Although he was quoted as saying that he would return to his post in four or five months, we shall not be surprised at finding that at the end of four or five months he will follow the example of Dr. Yen and prolong his stay in China on some pretence. Unless the government can back up their stand, we are safe to say that China will temporarily lose the services of two outstanding diplomats.

In a press interview after his arrival from Europe, Dr. Koo declared that China's salvation must come from within and only her own efforts at domestic unification and reconstruction will make any early liquidation of the Far Eastern problem possible. Being a government official, he has to speak with tongue in cheek, but this statement already betrays much of his dissatisfaction with the present government. If Dr. Koo could speak his mind, he possibly would say that a government which caters to the Japanese can not save China from the present crisis, and that domestic unification and reconstruction are impossible, so long as the government is under Japanese influence and pro-Japanese officials follow the dictates of the astute Japanese militarists and diplomats in settling the numerous pending Sino-Japanese issues.

In face of the realities of the situation, why should Drs. Yen and Koo return to their posts and continue their fight in upholding China's cause when their services are not appreciated by their own government? Their disappointment will be especially acute when they find what they have achieved under great difficulties will be undone by their government. It is pathetic indeed that while they have fought very hard in upholding the non-recognition principle laid down by the League of Nations and endorsed by the United States via-a-vis the puppet state of "Manchukuo," their own government should give a tacit recognition to the puppet state by agreeing to the resumption of through traffic on the Peiping-Mukden Railway.

The Japanese have been fully aware of this situation, and therefore the *Tokyo Asahi*, in a recent issue, predicted changes in the Chinese diplomatic personnel in favor of a policy more favorable to the betterment of Sino-Japanese relations. In other words, henceforth all the diplomatic posts will be filled by pro-Japanese elements who will gladly follow the dictates of the Japanese officials. When that goal is reached, Japan can win both on the battlefield and in the diplomatic field. And Japan can further her conquest over China without any murmuring from Geneva and capitals of foreign countries.

The inconsistency of our foreign policy, or the lack of a definite foreign policy vis-a-vis the Manchurian issue, has not only placed our diplomats in an embarrassed position, but also forfeits our sympathy from friendly Powers. At the beginning of the Manchurian incident, we steadfastly refused any form of direct negotiations with the Japanese; but now we have settled directly with the Japanese the Peiping-Mukden Railway issue, and possibly the postal issue before long. If these are not called direct negotiations what else can we call them? We have even gone to such an extent as to please the Japanese by reducing the import duties on Japanese goods, so that the Japanese can create an economic hegemony over China.

We must sympathize with the difficulties of our diplomats such as Drs. Yen and Koo, who have served their country without adequate support of their own government. It is our hope that they will not suffer their brave stand to be changed by the influence of the pro-Japanese elements. Their services, although they may not be appreciated by the government, will be always remembered by the people of the present and future generations.

Shanghai, July 23, 1934.

# PEIPING-LIAONING RAILWAY

## ABRIDGED TIME TABLE

*1st July, 1934 and until further notice.*

| Down Trains | | | | | | | | | | Up Trains | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 41 Slow D 1 2 3 | 301 Ex. S D 1 2 3 | 1 Ex. S D 1 2 3 | 305 Ex. S D 1 2 3 | 23 Fast D 1 2 3 | 5 Ex. D 1 2 3 | 21 Ex. S D 1 2 3 | 3* Ex. S D 1 2 3 | MAIN LINE STATIONS | | 302 Ex. S D 1 2 3 | 22* Fast D 1 2 3 | 42 Slow D 1 2 3 | 4 Ex. S D 1 2 3 | 24 Fast D 1 2 3 | 2 Ex. S D 1 2 3 | 306 Ex. S D 1 2 3 | 6 Ex. D 1 2 3 |
| 5.45 | 15.05 | 8.45 | 18.50 | 13.15 | 16.30 | 20.15 | 10.55 | dep. | Peiping - - - arr. | 10.24 | 11.29 | 17.55 | 18.42 | 23.17 | 9.18 | 8.19 | 11.50 |
| 6.20 | 15.36 | 9.13 | 19.20 | 13.46 | — | 20.48 | 11.24 | ,, | Fengtai - - - - dep. | 9.54 | 10.55 | 17.21 | 18.15 | 22.48 | 8.47 | 7.49 | — |
| 7.45 | 16.40 | 10.21 | 20.26 | 15.01 | — | 22.08 | — | ,, | Langfang - - - ,, | 8.50 | 9.26 | 15.43 | — | 21.34 | 7.45 | 6.43 | — |
| 9.16 | 17.50 | 11.28 | 21.39 | 16.30 | 19.07 | 23.38 | 13.32 | ,, | Tientsin Central ,, | 7.40 | 8.03 | 14.14 | 16.05 | 20.11 | 6.39 | 5.30 | 9.15 |
| 9.25 | 17.59 | 11.36 | 21.48 | 16.39 | 19.15 | 23.47 | 13.40 | arr. | Tientsin East - dep. | 7.30 | 7.50 | 14.00 | 15.55 | 20.00 | 6.30 | 5.20 | 9.05 |
| 9.35 | 18.20 | 11.50 | 22.20 | 16.55 | — | 24.00 | 13.50 | dep. | ,, ,, arr. | 7.05 | 7.36 | 13.46 | 15.40 | 19.50 | 6.15 | 4.50 | |
| 10.38 | | 12.47 | | 18.03 | Stop | 1.10 | 14.47 | ,, | Tang-ku - - - dep. | | 6.31 | 12.46 | 14.45 | 18.51 | 5.11 | | |
| 11.46 | | 13.45 | | 19.08 | | 2.18 | 15.40 | ,, | Lu-tai - - - - ,, | | 5.26 | 11.41 | 13.48 | 17.43 | 4.08 | | |
| 12.52 | | 14.42 | | 20.11 | | 3.32 | 16.39 | ,, | Tang-shan - - ,, | | 4.15 | 10.30 | 12.50 | 16.37 | 2.58 | | |
| 13.39 | FOR SHANGHAI | 15.17 | FOR PUKOW | 20.47 | | 4.20 | 17.14 | ,, | Ku-yeh - - - ,, | FROM SHANGHAI | 3.30 | 9.44 | 12.18 | 16.05 | 2.16 | FROM PUKOW | |
| 14.29 | | 15.49 | | 21.21 | | 5.12 | 17.46 | ,, | Lanhsien - - - ,, | | 2.32 | 8.45 | 11.39 | 15.22 | 1.18 | | |
| 15.32 | | 16.31 | | 22.11 | | 6.18 | 18.28 | ,, | Chang-li- - - - ,, | | 1.29 | 7.40 | 10.58 | 14.37 | 0.19 | | |
| 16.16 | | 17.04 | | 22.46 | | 7.07 | 19.01 | ,, | Pei-tai-ho - - - ,, | | .0.39 | 6.54 | 10.27 | 14.00 | 23.31 | | |
| 16.43 | | 17.23 | | 23.08 | | 7.33 | 19.20 | ,, | Chin-wang-tao - ,, | | 0.01 | 6.25 | 10.04 | 13.35 | 22.59 | | |
| 17.05 | | 17.40 | | 23.26 | | 7.55 | 19.37 | arr. | Shan-hai-kwan - ,, | | 23.30 | 6.00 | 9.45 | 13.15 | 22.30 | | |
| | | 18.40 | | | | | | dep. | ,, arr. | | | | | | 21.26 | | |
| | | 16.25 | | | | | | arr. | Shenyang dep. (Mukden) | | | | | | 10.15 | | |

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

*Tientsin, 1st July, 1934.*

BY ORDER.

# New Canton-Kowloon Agreement Gives British Only 28 Percent

At a meeting of representatives of the Chinese and British delegates held in Hongkong July 17 to examine the proposals for the revision of the Canton-Kowloon Railway Agreement it was tentatively agreed that the Chinese section of the Railway will receive 72 per cent, while the British section will receive 28 per cent. Under the old agreement the British took 65 per cent. *Rengo* says that the matter is attracting no small attention among the Japanese, and rumor is already rife in Japanese circles that the British concession may have some bearing on the question of the through traffic on Canton-Hankow and Canton-Kowloon Railways, for which the British concern has been pressing China for some time in the past.

A correspondent writes in the *North China Daily News* that the new Shansai provincial railway was opened to passenger traffic on July 1, the present time table providing for a daily train each way between Taiyuan and Kiehsiu, the fare for the journey being $2.40. The only accommodation at present available consists of trucks, some of which are provided with awnings and some not. The journey of not much more than 100 miles is at present scheduled to take 12½ hours.

Rails for the Canton-Hankow Railway ordered by the Ministry of Railways from England were due in Shanghai this week from England. The rails total 30,000 tons, of which 10,000 tons will be unloaded at Shanghai for re-transportation to Canton, while the remaining 20,000 tons will be transported from Shanghai to Hankow to be unloaded there for use of the Hunan section of the Railway.

Identic orders to the Chekiang and Fukien Provincial Departments of Reconstruction, General Chiang Kai-shek last week instructed that the highways under construction on the Chekiang-Fukien border are to be completed within the current year. If the funds for expenses are insufficient, assistance may be sought from the National Economic Council.

Omnibus service on the Shiushui-Pingkiang Highway was formally inaugurated July 21. This route starts from the Shiushui station of the Nanchang-Kiukiang Railway and passes through Lungmen to Pingkiang, in Hunan, where it will link up with Changsha, provincial capital of Hunan, by another highway.

Construction work on the Nanchang-Yushan section of the Chekiang-Kiangsi Railway was officially started July 21.

Eighty per cent of the highway between Canton and Nanchang has been completed and the balance is expected to be finished by the end of this month.

### New Tariff Rates Will Not Be Changed

Chinese industrial circles, continue to protest against the new tariff rates put into effect July 3. Five delegates of the Federation of Chinese Industries, including William Gockson (Kwok Zung), Chinese textile magnate, secured an interview with Dr. H. H. Kung, Minister of Finance, when the latter was in Shanghai last week, and pointed ont that the lower import levies on cotton and paper are creating a situation decidedly favorable to the dumping of foreign goods on the Chinese market, which means the deprivation of outlets of native products, whereas the raised levies on machinery will decidedly retard industrial development in China.

With regard to the recent appeals made by the various Chinese industrial associations that the new tariff rules be revised so as to protect Chinese products from foreign competition, a spokesman of the Finance Ministry declared July 16 that such appeals could not be entertained by the Ministry, particularly at a time when the new tariff rates have just recently been fixed.

According to information from the Chinese Maritime Customs China's excess of imports over exports during the period from January to June this year has reached the huge sum of $203,067,658. In June alone the import excess was $20,872.644.

General Chiang Kai-shek has issued an order prohibiting merchants from disguising Japanese or other foreign goods as Chinese native products.

### Civic Center to Be Built at Cost of $1,000,000

Following the successful flotation of the $3,500,000 Municipal Loan, the Municipal Government of Greater Shanghai has embarked on a huge construction plan in the new Civic Center. The first building to be constructed will be a stadium at an estimated cost of $1,000,000. The contract for same has been signed and work has commenced. It is hoped to have the building completed within ten months. A municipal museum, library, hospital and public gardens are also to be established.

In compliance with the request of the North-western branch of National Economic Council, a tract of over 50,000 mow of pasture land in northeastern Kokonor has been selected by the Chinghai Provincial Government for a cattle ranch.

The Honan Provincial authorities have approved the petition of 500 farmers to proceed to Paotow, Suiyuan, and settle there for reclamation work.

Pursuant to the decisions of the recent Nantional Financial Conference, the Kiangsu Provincial Government has announced the abolition of another 97 different kinds of exorbitant taxes and

miscelleneous levies in the province, which will become effective from August 1. The total sum of the taxes abolished amounts to $30,000 yearly.

For the purpose of financing the construction of a branch railway leading from the Huai-Nan Coal Mines in Northern Anhwei to the Tientsin-Pukow Line, the National Reconstruction Commission has secured a loan of $3,000,000 from a group of eleven Chinese banks in Shanghai.

A National Telegraph Admistration Conference, summoned by the Ministry Communications, is scheduled to be held in Nanking in September next. The Conference will last three days.

**Railway Ministry Gets New Loan for Peiping-Hankow Railway**

Negotiations between the Ministry of Railways and the Shanghai Chinese banks for the conclusion of a new $30,000,000 loan for readjustment of the Peiping-Hankow Railway are about to be concluded with success. The banks have agreed in principle to raise the money and discussions are now centreing on the nature of securities to be offered for the proposed loan.

Beginning January 1, 1935, People's Banks must be created in the various districts of each province, with the District Magistrate as Governor of the bank, according to an order of the Ministry of Finance to the Provincial Departmets of Finance. The capital of the People's bank in each district is to be fixed at between $1,00,000 and $200,000, subscribed from the public funds of the respective districts and by local wealthy citizens.

The Kansu Provincial Government, in a petition to the Executive Yuan, has applied for a mothly subsidy of $250,000. The Kansu admisitration has been suffering from financial difficulties and the abolition of exorbitant levies and miscellaneous taxes tends to aggravate the situation. The petition has been referred by the Executive Yuan to the Ministry of Finance for consideration.

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## Yung Chung-chin Decides Not to Retire

Yung Chung-chin, known as King of Cotton and Flour Industries in China, has abrutly ended his announced retirement and returned to his offices, evidently with a view to blocking the move of the Ministry of Industry to take over his various enterprises. At his offices it was announced that Mr. Yung's health condition had shown marked improvement and that he decided to resume his duties, as his appointees had declined to take posts to succeed him. The improving flour market and the increasing export of flour from this part of the country to Manchuria are also believed to have given Mr Yung new hope of pulling through his financial difficulties. The Chinese banks also are stated to have viewed with some apprehension the plan to have the Government take over.

The *China Times* comments:—"Immediately upon the retirement of Yung Chung-chin, the Government announced that it would do everything possible to keep Mr. Yung's chain of factories running. While the Government was doing everything possible to uphold these factories the factory side suddenly announced that they would object to the Government taking a hand in the factory business. This opposition was followed by Mr. Yung taking hold again. It is certainly regrettable to note that even at this time of a national industrial crisis the Government and the people cannot co-operate. China's cotton industry is still in its infancy and its progress has been seriously retarded by the economic exploitation of the imperialist Powers. Under the yoke of imperialist oppression it has been impossible for the Chinese industrialists to expand their business nor can they increase their productive power. Mr. Yung controls about one-fifth of China's total number of cotton factories. His failure means the failure of China's cotton trade. In case Mr. Yung's factories were closed down it would seriously affect the cotton market in China and would give the foreign factories a chance to thrive. Our countrymen must not forget that the cotton trade is the most prosperous trade in China. If Mr. Yung fails it means the complete bankruptcy of the cotton trade itself. We understand the Government has decided to keep all Mr. Yung's factories running under Government subsidies. But the managers of several factories are taking exception to the arrangement saying that their factories can still be maintained without Government aid."

## Chinese Develop New Beach Resort to Replace Chapu

Following the closing of Chapu by Chinese authorities, ostensibly for construction of fortifications, a new beach summer resort along Hangchow Bay on the Shanghai-Hangchow Highway is being planned by the Sungkiang Hsien Government for Shanghai motorists. The building of several huts has already been started for convenience of swimmers and motorists at Kinsanwan, between Chapoo and Shanghai. Members of the gentry in that district are interested in the project and are conferring with the magistrate on a detailed program to develop the fishing village into an ideal beach resort.

## National Budget Balanced at $777,302,226

The National Budget for the 23rd fiscal year (July 1, 1934-June 30, 1935), balanced at $777,302,226, is announced by the Directorate-General of Budgets, Accounts and Statistics as follows:

ESTIMATED REVENUE

| | |
|---|---|
| Salt Gabelle | $190,353,851 |
| Customs | 360,413,791 |
| Tobacco and Wine Tax | 23,104,873 |
| Stamp Tax | 12,884,286 |
| Consolidated Tax | 116,599,299 |
| Mining Tax | 2,724,979 |
| Stock and Commodity Exchange Tax | 100,000 |
| Banking Tax | 1,600,000 |
| Revenues from State Properties | 5,704,878 |
| Revenues from State Enterprises | 21,248,860 |
| National Administrative Receipts | 12,517,086 |
| Quotas remitted by the Provinces and Municipalities | 12,948,000 |
| Loans | 9,784,294 |
| Miscellaneous | 7,318,029 |
| *Total* | $777,302,226 |

ESTIMATED EXPENDITURE

| | |
|---|---|
| Party | $5,785,464 |
| National Government | 14,112,280 |
| Military | 307,750,910 |
| Civil Administration | 5,475,869 |
| Diplomatic Affairs | $9,026,886 |
| Financial Administration | 69,192,814 |
| Education and Culture | 19,034,481 |
| Judicial Administration | 3,057,910 |
| Industries | 4,294,390 |
| Communications | 5,204,252 |
| Administration of Mongolian and Tibetan Affairs | 1,451,604 |
| Reconstruction | 11,794,974 |
| Subsidies | 44,559,935 |
| Pensions, Compensation, etc. | 5,761,665 |
| Loan Service | 257,530,231 |
| 2nd Reserve Fund | 13,368,561 |
| *Total* | $777,302,226 |

With regard to the Loan Service, the following details are given:

| | | |
|---|---|---|
| (1) | Amortization of principal and interest on Domestic loans | $137,935,185 |
| (2) | Amortization of principal and interest on Foreign loans | 49,357,288 |
| (3) | Boxer Indemnities | 38,872 156 |
| (4) | Loans | 21,049,792 |
| (5) | Administrative expenses for loan redemption | 315,910 |
| (6) | Preparatory Fund for readjustment of domestic loans | 5,000,000 |
| (7) | Preparatory expenses | 5,000,000 |
| | *Total* | $257,530,231 |

## Vice President of Judicial Yuan Looks Forward to End of Extrality

Tan Chen, Vice-President of the Judicial Yuan of the National Government of China, interviewed in London by a *North China Daily News* correspondent July 19, stated that the purpose of his visit to the Continent and Great Britain was to investigate European prisons and judical systems. Mr. Tan declared that that the modern Chinese judicial system, which was based on Continental systems, must be modified by English practices. He expressed his admiration of the English judicial system of selecting judges from trained barristers, a system which he said was preferable to the Continental method. He is reported as having admitted that Chinese judges were inadequately appointed, but something had already been done to improve their position and to give security to their tenure of office. The Shanghai District Court, Mr. Tan declared, had been born in unfavorable circumstances and it was inevitable that difficulties resulted. He hoped that, when a new agreement for the Court had been concluded in 1936, the Powers would consent to relinquish their extraterritorial rights.

## Death of Dalai Lama Creates Situation Favorable to Britain

"Cosmopolitan" writes in the *Free Press Journal* (India)—"It is clear that the death of the Dalai-Lama has created a situation very favorable to the British policy of imperialistic expansion. For it is reported that dissensions are already rife in Tibet and the rival factions are struggling for power at the court of the infant dictator."

## Rains in Many Provinces End Long Continued Drought

Rain fell in Fukien, Kwangtung, Kansu, Shantung and Shantung and Kiangsu during the week. According to an Amoy message, with the week-end typhoon from Formosa sweeping the China coast, all sailings between that city and Shanghai had to be suspended for three days. Traffic on the Changchow-Amoy and Changchow-Lungchow Highways in southern Fukien was disrupted and all inland water services suspended.

In consequence of the rapid rise of the Tang Ho and Sha Ho (Rivers), in western Hopei, owing to mountain freshets, over 100 villages in Chuyang were inundated. The Huto River, in south-western Hopei, also overflowed its banks in the upper reaches July 20.

Kiangsi was hit by a typhoon. A strong gale and rainstorm swept the Kiangsi provincial capital and also Ki-an and Ching-techen, the porcelain center, July 21.

As a result of the suffering caused by the continued drought in northern Chekiang, a group of more than 1,000 farmers marched to Wangtienchen, a small town in Kashing district, and seized ten piculs of rice from the two largest rice shops in town. Fearing further raids, all the rice dealars closed their shops.

A storm swept over Nanking July 21. Following days of rainfall the temperature dropped to 81 degress Fahrenheit. Many cottages were blown down while crops suffered heavy damage.

The city of Hsiangyang was completely submerged end of last week. The water inside the city wall was more than ten feet in depth.

The Hupeh Provincial Government has issued a circular order to all districts in the province instructing the local authorities to take precautionary measures against the flood menace, particularly in districts along the Yangtze River and Hsiang River.

After rising to an unprecedented level of 18 feet and for a time threatening to overflow its banks, the Yungtingho River registered a rapid drop of six feet July 17.

The Executive Yuan has decided to establish a Drought Relief Office. The Ministry of Industry will take charge of the office.

The Ministry of Industry intends to set aside a sum of $1,000,000 for drought relief, $800,000 of which will be used for the purchase of seeds for free distribution among the farmers in the fall, while the balance will be used to meet sundry expenses.

Organization of a National Water-Conservancy Commission under the National Economic Council was recommended by the N.E.C. and the Executive Yuan in a joint petition to the Central Political Council July 18.

The Executive Yuan July 23 decided to raise a sum of $60,000,000 for the relief of the districts affected by the drought or flood in the various provinces. The distribution of the sum will be as follows: Kiangsu, $18,000,000; Chekiang, $28,000,000; Anhwei, $10,000,000, and Shanghai, $624,000. The rest of the sum will be distributed among the flooded districts in North China.

Rain fell in Chekiang province last week, but too late to save the crops as they had already been partially dried up. According to investigations made, only four-tenths of the rice fields in Chekiang have been cultivated, and out of this about half have been parched.

To prevent a famine in the Yangtsze valley as a result of the drought, the Rural Rehabilitation Commission under the Executive Yuan has specially submitted a proposal to the Yuan advocating the organization of a Central Food Transport Bureau.

Approximately 40 per cent of the total area under cultivation in North Manchuria was under water, according to a report issued at Changchun July 19.

The Kiangchiao railway bridge, spanning the Nonni River, on the Mukden-Tsitsihar line, was washed away by the swift currents of the over-flowing Nonni River Jnly 17, suspending the railway traffic between north and south Manchuria.

### No Foreign Rice Required

The Shanghai Rice Merchants Guild has received a number of letters from Chinese rice merchants in the interior urging that the plan to purchase 500,000 piculs of foreign rice to relieve the Chinese rice market should be abandoned as the recent rainfall has removed all possibilities of a drought in Kiangsu.

Changchun was several feet under water end of last week as a result of the overflow of the Yitung River. About 5,000 buildings were inundated and 15,000 people were rendered homeless in Changchun alone.

Cholera broke out last week in the district of Yungchi, southern Shansi. Within three days, 29 victims succumbed to the disease.


# The Law of Averages

●

**If you drew nothing at the last drawing of the**

**中華民國政府航空公路建設獎券**

# STATE LOTTERY

**your chances in the next are**

# BETTER

●

**The Law of Averages *must* assert itself. The oftener you don't draw, the nearer you are for one.**

# Try Again

# Buy a Ticket Today

●

# NEXT DRAWING

## AUGUST 31, 1934

●

## TICKETS

obtainable at banks, stores, or the

**National State Lottery Administration**

183-189, Avenue Edward VII, Shanghai.

**(Every mail order purchaser is sent a Prize List by post)**

69-353

## Pootung Bandit Chief Shot While Trying to Escape

Chu Ah-lan, notorious leader of a Pootung bandit gang, was shot and killed July 9 on the eve of a serious riot which he had planned in an effort to loot the wealthy districts of Pootung. Chu had secretly conveyed a large quantity of arms and ammunition to Pootung in preparation for a raid. But before he could assemble his followers, the plot was discovered by the Chinese police, who arrested the bandit chief. Chu was being taken to the office of the Magistrate of Nanwei District under a heavy police guard when suddenly, on nearing Nanwei, a large group of Chu's followers appeared and started a gun-battle with the police. In the confusion Chu freed himself, grasped a pistol from one of his escorts, and made a frantic run for liberty. He did not get far, however, as a bullet from a policeman's gun struck him in the abdomen and he sank to the ground, dead. The police dispersed the mob and took the body to Nanwei.

Mao Wen-hsing, notorious bandit leader in Fenghua, Chekiang Province, who is wanted by the Fenghua police in connection with numerous robberies and kidnappings, was arrested in Shanghai by police and detectives despatched from Fenghua with the assistance of the Settlement Police last week. Arraigned in the First Special District Court Mao admitted all the charges of robbery and kidnapping against him. Judge Chien consented to hand him over to the Fenghua police.

Communist bandits last week besieged Funing (Siapu), in Fukien, 50 miles north-east of Santuao, the place where Father Urbano Martin, a young Dominican priest, was killed recently. Many of the American and British missionaries proceeded to Foochow for safety.

All the remaining eleven Chinese captives in the *Shuntien* piracy were released last week. According to their request they are to be incorporated into the Shantung army.

Howard Smith, the American missionary who escaped on June 28 after being captured at Pengshui, Szechuan, by communists under command of the notorious Ho Lung on June 6, arrived in Hankow July 20.

Sun Lao sze, the murderer of Dr. J. H. Ingram, the veteran American missionary, was arrested in Peiping July 20. General Yu Hsueh-chung, chairman of the Hopei provincial government, ordered that he be escorted to Tientsin for trial.

A gang of about 20 armed bandits looted the Chihsia station, 15 miles east of Nanking on the Nanking-Shanghai Railway, during the night of July 20 and got away with more than $500 in cash and valuables. As a result of prompt measures taken by the Nanking Police, two of the robbers who looted the Chihsia railway station were arrested July 22 in a villagre near the station.

Two Russian boys while travelling home on bicycles in broad daylight on the outskirts of Tientsin July 21 were suddenly confronted by a pair of well-dressed Chinese youths, who barred their way, pointed pistols at them, ordered "hands up" and attempted to seize their bicycles. The younger Russian offered no resistance, but the elder boy, Zehu Chudin, a lad of nineteen, put up a fight, with the result that he received a shot in the abdomen, from the results of which he later died.

## Anti-Opium Operations to Be Taken Over by Military Commission

Under orders of General Chiang Kai-shek the anti-opium work in Kiangsu, Chekiang, Anhui, Kiangsi, Hunan, Hupeh, Honan, Fukien, Kansu and Shansi will be taken over by the Military Commission.

General Chiang Kai-shek, in a telegram last week to General Ku Cheng-lun, Nanking Garrison Commander, instructed that steps be taken to suppress opium and other poisonous drugs.

Li Kwang-lei and Chen Liang-chi, two workers on the Hunan-Hupeh Railway, who had secretly organized an organ for the transportation of opium, were executed by a firing squad at Hankow July 20 by order of General Chiang Kai-shek.

Otozo Nikacho, "opium king" of Osaka prefecture, is visiting Manchukuo in order to instruct the natives on poppy cultivation and opium preparation. He expects to stay in Manchukuo about a month.

Huang Kwen-ziu, a native of Hupeh, who was convicted of smuggling and storing in his house large quantities of red-pills, was given a three year jail term and fined $1,000 in the Shanghai Second District Court July 19.

The U. S. Commissioner for Narcotics, H. J. Anslinger, announced in Washington recently that the Government is sending more men to the Pacific Coast in an attempt to prevent the smuggling of narcotics from the Far East. Many international dope trading rings, forced out of Europe, were now, he stated, operating from China.

Following complaints from an American woman that her daughter was frequenting an opium den in New York's Chinatown, four detectives belonging to the Narcotic Squad raided a top-floor flat in the principal street in Chinatown and found four extremely dazed Chinese stretched out in bunks. On a small table they found three pounds of prepared opium and a glowing pipe. The four Chinese are being held while the immigration authorities are investigating whether deportation proceedings should be taken against them.

## "Shun Shih" Anniversary Volume Notes Progress of Chinese Journalism

The *Shun Shih* news agency issued a 300-page book on the occasion of its tenth anniversary. Among the contributors to the anniversary volume were Dr. Alfred Sze, minister to the United States of Ametica; Quo Tai-chi, minister to England; General Chang Chun, chairman of Hupeh; Tseng Chung-ming, vice-minister of railways; Yu Tso-ting, chairman of the Shanghai chamber of commerce; Hsiao Tung-tze, head of the *Central News Agency*; Sing.oh Hsu, managing director of the National Commercial Bank; and General Wu Teh-chen, mayor of Greater Shanghai.

Dr. Sze mostly dealt with news gathering organizations in America. Mr. Quo dealt with the development of British journalism in his article. He traced the origin of the daily press in England to the *English Mercury* founded in 1588.

Mr. Liu in his article pointed out that the *Shun Pao* is the oldest paper in this city. Founded by an Englishman, F. Majer, in 1872, this important newspaper was bought over by Shih Chih-pei for $75,000 in 1904. It was not until the first year of the Republic that Sze Liang-tsai acquired it for $120,000. The *Shun Pao* it is stated by Mr. Liu, is worth more than $2,000,000.

The *Sin Wen Pao*, another important daily in Shanghai, was first founded by the Chinese but on account of the lack of capital, it was sold to an American, Dr. John C. Ferguson, in 1899, and was subsequently registered in the United States as an American concern. Wang Han-hsi as general manager conducted the paper for Dr. Ferguson, who spent most of his time in North China. In 1926, when the nationalist movement was in full swing Dr. Ferguson sold his *Sin Wen Pao* shares to Sze Liang-tsai, owner of the *Shun Pao*. The transfer was attended with considerable unpleasantness and Hollington B. Tong, writing in the *China Press* says, when the proper time comes, he will give to the public a full account of the transfer of the ownership of the *Sin Wen Pao* from Dr. Ferguson to Mr. Sze, which is thrilling and is full of human interest. There were the elements of intrigue and bluffing as well as that of a near-tragedy, he says. There was a midnight meeting with men armed with revolvers. The completion of the transaction, it may sound strange, eventually ended the connection of T. B. Chang, who originally promoted the sale to the *Shun Pao*, and forced him to do spade work in journalism again.

Mr. Liu also reviewed the history of the *China Times*, which led a precarious existence until 1927, when T. B. Chang took it over and introduced reforms in its management. Today it is the only newspaper in China that has been properly registered with the Ministry of Industries as a limited company and is wholly controlled by a board of directors.

## British Cigarette Strike at Pootung Comes to an End

The strike at the Pootung No. 2 factory of the British Cigarette Co., which was originally called on May 21 as a protest against the B. C. C. management's decision to close down its No. 1 factory in Pootung ten days previously, came to an end latter part of last week. During the past two months the strike had been that subject of negotiation in several conferences between representatives of the local Chinese government, the strikers and the management. The terms of settlement provide for the issue of three-months' salaries to workers in the No. 1 factory, which is definitely closed, priority of employment to the old workers should the B. C. C. management decide to reopen the plant, the dissolution of the pickets organized by the strikers to guard against strike-breakers, etc.

## I. T. T. Shows Increased Earnings During Jan-March Period

The International Telephone and Telegraph Corporation announced after the meeting of its Board of Directors on June 14 that consolidated net income for the three months ended March 31, 1934, amounted to $898,767.32, as compared with a loss of $854,251.01 for the same period of 1933 and a profit of $933.348,22 for the last quarter of 1933. Gross earnings for the three months ended March 31, 1934, were $20,047,077.71 as compared with $15,539,852.54 in 1933 and expenditure totalled $16,012,578.40 as compared with $13,550,922.98 for the same period of 1933.

## MANCHURIAN "BANDITS" NOW ENJOY INITIATIVE OF ACTION IN STRUGGLE WITH JAPANESE FORCES

(*Continued from page 347*)

### The Kirin-Tunghua Railway Region

Sporadic outbursts of bandit activities have been occuring here with unabated frequency, so that one more expedition had to be taken up early in May last. Therefore, it will be seen that the fifth drive into this region and designated as the 27th had proved to be totally ineffective.

*Thirty-Eighth Drive*

*Objective:* Clearing the Chientao district of Kirin Province from bandits and anti-Manchukuo elements (a sixth attempt).

*Commenced:* May 2, and closed within a week or two.

*Troops:* The Japanese troops of unreported strength moved to the rescue of the township of Utchuhe, then occupied and being looted by 250 brigands. Having taken many hostages, the bandits fled.

Such is the history of recent bandit disturbances in Manchuria and the attempts to put them down. Now the question is, can we consider that, after three years of continuous fighting, peace and order have really been secured, as often we hear from the lips of paid propagandists? No, because in no single instance have the anti-Manchukuo elements been annihilated completely, invariably escaping "into the mountains" or somewhere else, and reappearing at places least expected. And the bandits have unfathomable human backing in the peasantry and pauperized urban classes for whose welfare and uplift the government has done nothing, therefore it seems to be a self-evident truth that the organized banditry will always remain a social factor in Manchuria.

Another conclusion to be drawn from the present situation is that, with hands and feet of the Japanese Army tied up in Manchuria, no sane Japanese militarist can ever think of waging war ont he Soviets, which explains why they have become, of late, softer in their relations with the U.SS.R. Three years of warfare against bandits in Manchuria have taught them that to fight with the Red Army is a different sort of thing and should, at least for own safety, be avoided. Here is when the Red Army has come to be feated.

Harbin, July 19, 1933.

⁂

## Manchukuo Scene of Much Railway Building

More railways are under construction in Manchuria at present than in any other part of the world. Soon after the new "state of Manchukuo" was formed, the South Manchuria Railway lost no time in reorganizing their administration of the lines which had been built during the regime of the Chiangs, repairing their roadbeds, replenishing their rolling stock and equipmen, building new stations and introducing efficient traffic arrangements among them.

The total mileage of the existing railways in Manchukuo is about 3,600, consisting of:

| | Miles. |
|---|---|
| Manchukuo State Railways | 1,860 |
| South Manchuria Railway | 660 |
| Chinese Eastern Railway | 1,020 |

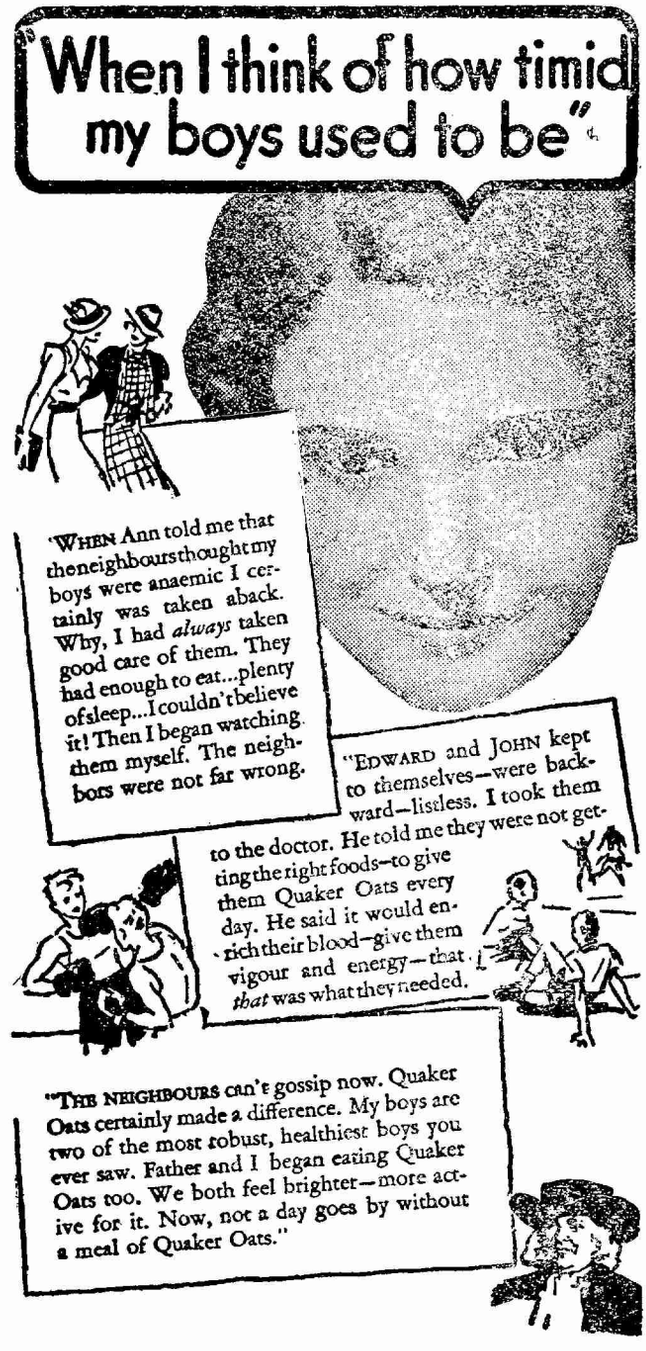
The Manchukuo Government has embarked upon an ambitious building project. This, if successfully carried out, will add 2,500 miles of new lines every ten years, until the total will have reached 15,000 miles.

The Tsitsihar-Koshan and the Hulan-Hailin (directly north of Harbin) lines have recently been linked by the Koshan-Hailin line, completing a "crescent" of about 375 miles from Harbin to Tsitsihar, via Hailun and Koshan, A branch line of about 60 miles has been extended from a point on the crescent, Ningnin, to Merghen through Laha, linking Tsitsihar directly with Merghen. From another point on the crescent, Peianchen, is being built a line of 190 miles to Taheiho, on the Amur River, which is the Siberian border. The region served by these lines is noted as the granary of Manchuria, as it is the chief producer of soya beans. It is also in the north of the crescent that the greatest development in the wheat crop is expected to take place.

A line of some 165 miles from Lafa, in the east of Kirin, to Harbin was completed last December and has been open to traffic since January of this year.

By far the most important of the new railways is that recently completed through the heart of Kirin Province and to the coast of Northern Korea. This will have a most far-reaching effect upon the transportation system of Manchukuo. Heretofore the staple exports originating in the region north of the Chinese Eastern Railway have been routed partly to Vladivostok over the Chinese Eastern Railway and partly far southward to Dairen over the South Manchuria Railway. Now, however, an epochal change of routes is effected by diverting the traffic to the North Korean sea outlets, Yuki, Rashin and Seishin.

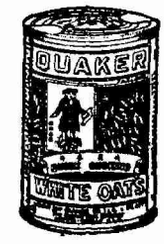
The Tokyo office of the S.M.R. announced on April 20 that the company had concluded a contract with the Changchun government for the construction a cost of at Yen 141,420,000 of the following seven new railways in Manchukuo: The Mutankiang-Chaimussu line, Lingyuan-Jehol line, Yehpaishu-Chihfeng line, Erhtan-Heiho line, Hsinking-Talai line, Talai-Taoan line, and Huaiyuan-Solun line.



"When I think of how timid my boys used to be"
"WHEN Ann told me that the neighbours thought my boys were anaemic I certainly was taken aback. Why, I had *always* taken good care of them. They had enough to eat...plenty of sleep...I couldn't believe it! Then I began watching them myself. The neighbors were not far wrong.
"EDWARD and JOHN kept to themselves—were backward—listless. I took them to the doctor. He told me they were not getting the right foods—to give them Quaker Oats every day. He said it would enrich their blood—give them vigour and energy—that *that* was what they needed.
"THE NEIGHBOURS can't gossip now. Quaker Oats certainly made a difference. My boys are two of the most robust, healthiest boys you ever saw. Father and I began eating Quaker Oats too. We both feel brighter—more active for it. Now, not a day goes by without a meal of Quaker Oats."

Children—and adults, too—do need Quaker Oats. It restores the vital energy they burn up in work or play or study. It builds bone and muscle, feeds blood and nerves, tones up the entire system. Delicious. Economical. Serve Quaker Oats every day—cooks in 2½ minutes.

LOOK FOR THE QUAKER FIGURE FOR GENUINE

**Quaker Oats**




D-11

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CONSTIPATION

## Austrian Chancellor Dollfuss Assassinated

Chancellor Dollfuss was shot dead in the Chancellery in Vienna July 24 after he and his Cabinet had been captured by Austrian Nazis and held prisoner there. Martial law is being enforced throughout Austria. Germany has closed the Austrian frontier.

## General Strike at San Francisco Comes to an End

The general strike in San Francisco came to an end July 20 when some 40,000 union workers returned to their duties, after having gone out for about a week to show their sympathy for the striking longshoremen, who have as their leader Harry Bridges, a native of Australia. The longshoremen have not yet returned to work, but cargo is being moved by non-union workmen under police protection. The general strike failed because of its very immensity; it so exasperated the general public as to entirely alienate its sympathy. In the meantime a serious situation developed at Minneapolis where a gun battle between striking truck drivers and the police July 20 resulted in 21 strikers being hit by bullets. Three thousand National Guards were thereupon dispatched to Minneapolis by the Governor.

A country-wide heat wave lasting more than a week caused several hundred deaths in the United States. In Chicago a strike of stock yard workers caused the death of many cattle from thirst and hunger.

A Soviet Day was recently observed at the "Century of Progress" Exhibition at Chicago. The Soviet flag was hoisted over the territory of the Exhibition, and the Soviet Ambassador to the United States, M. Troyanovsky, who was present as the guest of honor, was met with military honors.

A postal surplus of $5,000,000, the first surplus for fifteen years, was reported July 19 by the Postmaster-General, James A. Farley

Ferdinand Pecora, New York attorney, was appointed supervisor of stock market trading by the new Federal Stock Exchange Control Commission July 19.

John Dillinger, notorious bandit, was shot down by a cordon of police outside of a cinema theater in Chicago, July 23. The police received their clue from a woman, who immediately claimed the reward offered by the government.

From July 28 all American non-continental possessions, with the exception of the Philippines, Samoa, and Guam, will be under a new administration which will have under its charge Hawaii, Alaska, Proto Rico and Virgin Islands.

President Roosevelt was enthusiastically greeted on his arrival in Hawaii July 22 on the U.S.S. *Houston*.

## Postmaster General Explains America's Silver Purchases

Postmaster-General James A. Farley in a speech at Reno, Nevada, July 3 stated that President Roosevelt is gradually purchasing a total of 1,300,000,000 ounces of silver in order to bring silver in the nation's metallic reserves to 25 per cent of the monetary value of such stocks, as provided in the Silver Purchase Act of 1934. This will gradually raise the price to U.S.$1.29 an ounce. The limit of 50 cents an ounce set by the Silver Purchase Act of 1934 as the maximum which the Treasury Department may pay for silver applies only to stocks of the white metal above ground in the United States as of May 1, last. When these stocks have been entirely purchased, the Treasury then may pay any price for the metal which it deems advisable, up to the statutory value of U.S.$1.29 an ounce.

## Soviet Press Displays Lighter Touch in Recent Years

The *Chekiai* correspondent at Moscow wrote June 21 that the Soviet press, which the Bolsheviks rather grimly call "the sharpest and most powerful weapon of the proletariat," used to be so dull to the man in the streets that some bright wit years ago said that *Pravda* (which means Truth) has no news; and *Izvestia* (which means News) had no truth. *Pravda* is the official newspaper of the Communist Party, and *Izvestia* that of the Soviet Government. But times are changing, and Soviet papers are beginning to have that more human and lighter touch which they once scorned as being bourgeois. For example the Soviet press, once upon a time carried on an uncompromising campaign against, "Jazz, foxtrotting and other decadent bourgeois pleasures." But now it thinks otherwise. It believes, in this second year of the second Five-Year Plan, that good proletarians may also enjoy what it now rather shame-facedly calls "western dances,"; and these western dances are of course foxtrots, rumbas, tangoes, etc.

# Who's Who in China

Lu Hsien, Government official; born at Cholu, Hopei, on July 14, 1889; member of Tungminghui (predecessor of Kuomintang); graduate of the Law School of the Peking National University with LL.B. degree; editor of the *Kuo Feng Pao* at Tientsin for one year, 1910; Prencipal of the Chihli 14th Provincial Middle School at Chaochow, 1911; at various time between 1913 and 1921, he served as professor of the China University at Peiping and was engaged in educational work in Hopei and Kirin; Chief of the translation and compilation bureau of the Sino-Japanese Conference on the Shantung Question and concurrently member of the Special Committee for the Retrocession of Tsingtao, 1922; director of the bureau of general affairs of the Council of Sino-Russian Negotiations, 1924 and in the same year, appointed technical expert to the Customs Tariff Revision Conference at Peking; secretary of the Ministry of Finance and later secretary of the Ministry of Agriculture and Commerce of Peking Government, 1925; director of the Industrial Experiment Station of the latter Ministry, 1926; director-general of the River Conservancy and Irrigation Bureau in Suiyuan and concurrently magistrate of Linho in Suiyuan, 1927; while in these capacities, he succeeded in negotiating for the retrocession of 140,000 Mow of Catholic Church Lands along the Huang-To-lah Ho in Suiyuan to the Chinese authorities; appointed counsellor of the Ministry of Industry, Commerce and Labor and concurrently member of the Planning Committee of the said Ministry, 1928; Commissioner of Industry and Commerce and concurrently Commissioner of Finance of the Hopei Provincial Government, 1928-30; appointed Counsellor of the Headquarters of the Commander-in-Chief of the Bandit-suppression Forces in the provinces of Honan, Hupeh and Anhwei 1932; half a year later, was dispatched to Honan as special commissioner to supervise opium suppression in that province; in the Fall of 1933, was transferred as Administrative Inspector of the 9th Special Administrative District in Hupeh and concurrently Commander of the Peace Preservation Corps in the said District; now member of the Kiangsi Provincial Government and concurrently Commissioner of Civil Affairs for Kiangsi: address: Department of Civil Affairs, Kiangsi Provincial Government, Nanchang.

呂咸號箸靑
Lu Hsien

呂咸號箸靑，年四十五歲，河北省涿鹿縣人，國立北洋大學理科預科畢業，國立北京大學法科畢業法學士，幼入同盟會，民元曾充天津國風日報編輯，河北省立第十四中學校校長，北平中國大學教授，歷任河北吉林等省辦理教育事業，督辦魯案善後會議公署編譯處處長，接收靑島委員會專門委員，督辦中俄交涉公署總務處處長，關稅曾議專門委員，關稅自主起草委員，財政部秘書，農商部秘書，農商部工業試驗所所長，綏遠包西水利總局總辦兼臨河縣縣長，交涉接收綏遠黃土拉亥河教堂渠地委員會委員長，無條件收回地一千四百頃，國民政府工商部參事，審查國民政府施政綱領委員會委員，工商部設計委員，法規委員；河北省政府委員兼工商廳廳長，兼財政廳廳長，河北省稅捐整理委員會委員長，農田水利委員會常務委員，豫鄂皖三省剿匪總司令部參議，河南查禁種烟特派員，湖北第九區行政督察專員兼第九區保安司令，江西省政府委員兼民政廳廳長。


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Who's Who in China

(with Supplement)

The standard edition of *Who's Who in China*, published in 1931, has now been brought up to date through the publication of a 200-page supplement. The two books contain the pictures and biographical sketches of the leading men and women of affairs, in government service, business and the professions.

It's the only work of the kind in the English language, is fully indexed in both English and Chinese and most of the sketches contain the latest addresses in addition to information pertaining to date and place of birth, education, careers, etc.

No business office, home, school or public library is complete without *Who's Who in China* giving complete information about the leading men and women of affairs in the Chinese Republic.

If you already have the standard edition published in 1931, order the Supplement only. If not order both books. The prices in Chinese silver or U. S. currency, including postage are as follows:

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The China Weekly Review

160 Avenue Edward VII
Shanghai.

# Men and Events

Dr. George B. Cressey departed from Shanghai for Manila on the Dollar ss. *President Cleveland* last week.

Dr. and Mrs. Arthur N. Young and family spent the weekend at Mokanshan, making the trip by motor car.

Sir Frederick Whyte, former advisor to the Nanking Government, and Mrs. Whyte proceeded to Japan from Shanghai last week.

Edwin S. Cunningham, American consul-general, returned last week from Dairen and Port Arthur, where had been spending a short holiday.

The residence of Einar H. Lindquist, Swedish Consul General in Shanghai, was entered and robbed of articles of a value of $675 during the night of July 21.

W. L. Plew, formerly night editor of the *Daily Press* at Hongkong, committed suicide by jumping to the ground from the top of the Gloucester Building July 19.

The American gunboat U.S.S. *Panay* stood by the s.s. *Chichuen* of the Yangtsze Rapid Steamship Co., Fed., Inc., which ran aground on the rocks 132 miles above Ichang July 22.

Julius Brittlebank, an annual round-the-world traveler, is making his fifteenth trip around the world on the Dollar s.s. *President Garfield* which will arrive in Shanghai on July 30.

The 28 Europeans involved in the mutiny in the Dutch warship *Zeven Provincien* last year are being taken to the Netherlands in the s.s. *Christian Huygens*, which called at Singapore July 9.

Roy Bennett, publisher of the *Manila Bulletin*, is a passenger on the *Pres. Hoover* on his return from the United States. The *Hoover* is due here July 30. Mrs. Bennett will meet her husband at Hongkong.

Thomas L. Sidlo, general counsel of the *United Press*, arrived in Shanghai last week and later proceeded to Nanking and Peiping. He will spend several weeks in Japan and then return to the United States.

Dr. Anne Walter Fearn, who has been actively engaged in assisting the work of the National Child Welfare Association of China, intends to depart from Shanghai August 2 for Australia, Europe, and America on holiday.

Military organs must not employ women on their staffs hereafter, according to an order of General Chen Chi-tang, Commander of the Kwangtung Provincial Forces. Those at present in service are to be dismissed.

The chairman of the board of the Goodyear Tire & Rubber Co., P. W. Litchfield, in an interview in Amsterdam July 13, declared that his company has definitely decided to establish a factory at Buitenzorg, near Batavia, Java.

Mrs. Roy W. Howard, wife of the executive head of the Scripps Howard newspapers, accompanied by her daughter Jane Howard arrived in Shanghai last week. They will proceed to Manila after visits to Nanking and Peiping.

A farewell luncheon to Li Ming, Chinese banker of Shanghai, was given in London, July 18 by Quo Tai-chi, Chinese Minister to Great Britain. Mr. Li is due to arrive in Shanghai on October 10. He will come via the United States.

The North-west Travelling Exhibition organized by the China Native Goods Consumption Cooperative Association was formally opened at Sian July 20. Shao Li-tzu, Chairman of the Shensi Provincial Government, and other leading officials, were present.

Dr. Harry Chu and bride are due in Shanghai shortly from the United States. His wife was Miss Rose Genova, a Rumanian woman he first met while he was president of the Foreign Students Club of the International Institute of Students in Cincinnati Ohio.

Dr. R. T. Pollard, at present professor of Oriental Studies a the University of Washington at Seattle, formerly Professor o Government at St. John's University, is the guest of Prof. M. E Votaw at St. John's. They plan to leave shortly on a trip to Szechuen province.

Four persons were killed and more than ten injured as a result of a clash between the local Peace Preservation Corps (*Pao Wei Tuan*) and a group of farmers in Tsungte, central Chekiang, July 19. Owing to the drought, the farmers had gathered at the District Government of Tsungte to appeal for relief.

The Court of Appeal in London last week dismissed the appeal by Metro-Goldwyn-Mayer Pictures, Ltd., against the recent award of damages to the extent of £25,000 to Princess Youssoupoff in connection with the film "Rasputin, the Mad Monk." The plaintiffs are now appealing to the House of Lords.

Tu Ting-siu, an executive member of the Publicity Committee of the Central Kuomintang Headquarters in Nanking, sailed for Hollywood on the Dollar liner *President Coolidge* last week to supervise the filming of the screen version of Mrs. Pearl Buck's "The Good Earth" at the Metro-Goldwyn-Mayer studios.

George G. Chu and Miss Susan Hsueh were married at the Holy Trinity Cathedral in Shanghai July 21. The bridegroom was formerly a student at the Soochow University and graduated from the American College of Physical Education of Chicago, in 1933. He is now on the staff of the Chekiang University as physical director.

Dr. V. K. Wellington Koo, Chinese Minister to France, who returned to China recently, has gone to his native home at Kiating, a small village near Shanghai. While in Nanking conferring with officials of the central government, Dr. Koo suffered a heat stroke which made it necessary for him to return to his native village for a rest.

R. E. Landman and E. H. Leavens, who were connected with the Rogers Silver Commission sent to the Far East several months ago by President Roosevelt, departed from Shanghai this week for Bombay, India where they will continue their investigation. Prof. James Harvey Rogers, head of the Commission, who is now in Japan is expected to return to Shanghai shortly.

Norman Francis Garrett, of Wuchang, China, and Miss Henrietta Hilda Hellwig were married in St. Andrew's Chapel of the Central Theological College, Ikebukuro, Japan, July 16. Mrs. Garrett is the daughter of Mr. and Mrs. Adolph Hellwig of Medina, New York. Mr. Garrett has been in China for the past year as Professor of Economics at the Central China College.

During the excavations for the building of "Johnson Hall," the new recreation building of the American Legation Guard in Peiping, fragments of porelain dating 1,600 years back and coins of the Sung and Ming dynasties were unearthed. United States Minister Johnson, the Commandant of the Guard, Colonel P. M. Rixey, and Lieut. Evans Carlson, U.S.M.C., are taking a deep interest in the collection.

The Police Officers Conference of the leading cities in the country summoned by the Ministry of Interior, was officially opened in Nanking July 21 presided over by Li Sung-feng, Director of Police Affairs Department of the Ministry of Interior, and attended by representatives from the Bureaus of Public Safety of the various provicial capitals and municipalities, the Ministry of Communications and the Highway Construction Department of the National Economic Council.

Pleading guilty of attempted land fraud, a Japanese rancher and his son were fined and sentenced to imprisonment in the Federal Court at San Francisco, July 14. Kanai Miki was sentenced to two years' imprisonment and fined $1,000, while his son Asao, 17, was sentenced to two years' imprisonment. They swore falsely that Asao was born in California in an attempt to purchase land. The son had recently returned from Japan.

The Liberty Dairies, owned by T. M. Yu, is opening a branch at Lungwha. The Liberty Dairies was established in 1920 at Yenping Road and during recent years branches were opened at Hangchow and Soochow, the latter two establishments supplying milk to some 1,800 families in those cities. The Lunghwa branch, according to Mr. Yu, will be devoted to the training of farmers in dairy work rather than merely for the production of milk.

Wang Wen-te, Director of the Branch Tobacco and Wine Licence Tax Bureau at Tungpei Hsien, Kiangsu, having been found guilty of corruption, violation of law, and dereliction in official duty, has been demoted two grades, according to a decision rendered by the Committee for the Disciplinary Punishment of Public Functionaries July 20. The impeachment was first brought by Wang Kuang-ching, member of the Control Yuan.

William M. Wilburn, who was a deserter from the U. S. Navy, committed suicide in Shanghai July 18 by swallowing potassium cyanide. He had been living in Shanghai under the name of John Smith. Although the fact that he was a deserter was known to the U. S. Naval authorities, no attempt was made by them to apprehend him—this, in fact being the general policy of the Navy in the case of men who have not been guilty of a crime, but whose services are considered of not sufficient value to the Navy to make any efforts to secure their continuance worth while.

*Rengo* belatedly reports that a coast-guard vessel belonging to Foochow maritime customs suddenly visited a Formosan junk and inspected it by force, when it was sailing at a point a little over 30 miles off Koshiryo, Formosa, for Tansui, at about 2 p.m. on July 7. One foreign and five Chinese officers, fully armed are alleged to have jumped into the Formosan junk from the customs chaser and examined the cargo of mineral and peanut oils. It is reported that the Japanese authorities are making strong representations to Chinese authorities concerned regarding the incident.

## Sergeant Who Created Hongkew Incident Under Temporary Suspension

The action of Sergeant Bellamy of the Shanghai Municipal Police, who created an "incident" in Hongkew about a month ago when he arrested two Japanese marines and took them to the Hongkew police station, was discussed by the Shanghai Municipal Council during the week. As a matter of ordinary routine, he has been temporarily suspended on the ground that he acted contrary to regulations in making an arrest concerning an incident which he did not personally witness and in any event he should have taken the marines to the Japanese Naval offices in Chapoo road. No final action in the matter has so far been taken.

# New Books of Interest in the Far East

## Shanghai Revolution Described

*Man's Fate, by Andre Malraux; Smith and Haas, N. Y. (Translated from the French).*

This week, with *Man's Fate*, U. S. readers were to have a chance to see what a French writer could do in a complete change of air. Hailed by French critics as novel-of-the-year (it was awarded the 1933 *Prix Goncourt*), *Man's Fate* is a story of revolution—not in Moscow or Paris but Shanghai.

The story opens on a scene of midnight murder. Ch'en, a Chinese student turned terrorist, is about to commit his first political assassination. Cinematically, its action focussing on one after another of the half-dozen main characters, the story unreels a quick succession of sinister scenes. In a phonograph shop in the Chinese quarter Ch'en makes his report of success to the Communist leaders—Kyo, half-French, half-Japanese intellectual; Katov, snub-nosed Russian agent. With Baron de Clappique, antique-peddler and dope-smuggler, as go-between, the Communists raid a ship in the river for its consignment of arms, equip their scattered posts throughout the city for the imminent rising. Meantime Kyo's father, once an influential professor of sociology, now forced into retirement for his political views, buttresses his fatalism with opium; Ferral, president of the French Chamber of Commerce, bullies the chief of police, tries less successfully to bully his mistress. In the *Black Cat* night club and in the bar of the Shanghai Club life goes on as usual, though the wind brings sounds of shots from the Chinese city.

With Chiang Kai-shek's nearing army to give support, the Communist uprising is successful, Shanghai is won for the Revolution. But the Kuomintang and the Communists do not trust each other. Chiang orders the Communist forces to turn in their arms. Kyo journeys to Hankow, Chinese headquarters of the International, to get help and advice, finds neither, returns knowing that the Communists in Sahnghai are doomed. Ch'en determines to kill Chiang Kai-shek, blows himself up in the attempt. Given 48 hours to leave the city, Clappique means to warn Kyo, but his passion for gambling makes him too late for their appointment. Kyo is arrested, swallows poison when he is sentenced to die by torture. Katov, wounded in the hopeless defense of the Communist headquarters, gives two comrades his poison though he knows his own death will not be quick. Ferral goes back to France by the same boat on which Clappique has stowed away. Kyo's father takes refuge in Japan, his wife in Russia.

Connoisseurs of Gallic wit will find little to please their palates in *Man's Fate*. The one comic episode, in which the conquering Ferral is made a fool of by his mistress but counters in kind, has too bitter a taste for fun. The scenes that will stick in a reader's memory are more sinister—the phonograph shop after it had been bombed, with the bloody remains of the owner's wife and child; Ch'en's attempted murder; the crowded lines of wounded Communists lying in the station, waiting to be taken out and shot. *Man's Fate* is not a pleasant book but few readers will soon forget their encounter with it.

The author, at 32, is already acknowledged as a front-rank European writer. Son of a French civil servant, he went to Indo-China at 20, made an archaeologiacl expedition to Cambodia and Siam, was not only an eyewitness of some of China's bloodiest revolutionary years (1925-27) but an actor in them. He was Commissioner of Propaganda for the revolutionary government of the South; as a member of the Committee of Twelve he helped direct the Canton insurrection, saw plenty of hand-to-hand fighting. His story of the Shanghai rising is a compressed and fictionalized account of what actually happened. Last March, with Pilot Mollnier, Malraux made international headlines when he flew across the Great Arabian Desert and reported the discovery of what he thought was the legendary city of Sheba, with 20 towers still standing. At present Author Malraux lives in Paris, working for the publishing house of Gallimard.

His first book (*Lunes en Papier*) written when he was 20, was poetic prose. His five subsequent books have all been based on his experience in the Orient. One of them. *The Conquerors*, dealing with Canton, was translated, published in the U. S. (1929). Restless, fair-skinned, well-built, with large sad grey eyes that stare intensely past the person he is talking to, Andre Malraux loves to talk, but never about himself. Says his friend and translator Haakon Chevalier, after sitting in on conferences with Paul Valery, Count Keyserling, Aldous Huxley, Jules Romains and some 20 other leading European intellectuals: "I can honestly say that not one of them could match Malraux for verbal artistry, for penetrating impromptu analysis of a wide range of subjects, or for knowledge of contemporary events."—*Time Magazine*, June 25.


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# China Year Book 1934

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The Editor, who is himself a leading authority on Chinese affairs, is the author of several works on China, Editor of "Oriental Affairs" and has lived for over thirty years in the country.

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## Soviet Publications Record Achievements in Many Fields

*Publications of The Cooperative Publishing Society of Foreign Workers in the U.S.S.R. Moscow. Prices, 40 kopeks to 4.50 roubles.*

*A. Badayev, The Bolsheviks in the Tsarist Duma.* 192*pp.*

*Fred E. Beal, Foreign Workers in a Soviet Tractor Factory.* 80*pp.* 1933.

*M. Chumandrin, White Stone.* 88*pp.* 1932.

*From the First to the Second Five Year Plan, A Symposium.* 490*pp* 1933.

*L. M. Kaganovich, Report on the Organizational Problems of Party and Soviet Construction. XVII Congress C.P.S.U.* 156*pp.* 1934.

*A. Malenky, Magnitogorsk, the Magnitogorsk Metallurgical Combin of teh Future.* 56*pp.* 1932.

*D. Z. Manuilsky, The Revolutionary Crisis is Maturing, XVII Congress C.P.S.U.* 69*pp.* 1934.

*V. Matveyev, The Commissar of the Gold Express; an Episode in the Civil War.* 212*pp.* 1933.

*P. P. Postyshev and S. V. Kossior, Soviet Ukraine Today.* 116*pp* 1934.

*Theses and Decisions, Thirteenth Plenum of Executive Committee of the Communist International, December,* 1933. 31*pp.* 1934.

*Paul Vaillant-Couturier, On the Steppes of the Ukraine and the Caucasus.* 88*pp.* 1932.

*E. M. Vasilevsky, The Land of Investors.* 110*pp.* 1933.

*B. Vishnevsky, Apatite—the Stone of Fertility, the Birth of a New Industry in the Arctic Circle.* 60*pp.* 1933.

*Clara Zetkin, Imperialist War Against the Toiling Masses; the Toiling Masses against Imperialist War.* 128*pp.* 1933.

This suggestive group of pamphlets and books gives amazing insight into the type of material being published by The Cooperative Publishing Society of Foreign Workers in the U.S.S.R. The emphasis on the class struggle, the industrial and agricultural front marks the propoganda mission as primary.

Two types of books are included in the list: (1) reports to the executives of the Communist International, the Congress of the communist party, the Control Executive Committee of the U.S.S.R. and (2) distinctly "inspirational" or propaganda booklets. Despite the fundamental differences between these two types of books, running through every one is the emphasis upon the future, the call to greater individual effort, appeal to communist principles, the use of Lenin's name as a shibboleth. The same terse, matter of fact, realistic style which marks the short novels—White Stone and Commissar of the Gold Express—is found in financial programs and economic plans.

The four books on the Ukraine area show the importance of that area to the U.S.S.R. both industrially and agriculturally. The Ukrainian nationalist movement has made this section one of the difficult spots in European Russia. It is no accident that the gigantic construction works of Dnisprostroy, of the Donetz Basin and Karkov have engrossed the party and demanded the services of foreign experts, shock workers and party organizers. The tactics employed in meeting the danger of local nationalism and imperialist interventionists seem to be psychologically sound. There is an emphasis upon the training and education of the youth and the socialist intellectuals, there is party mass work and particularized guidance of the press. The strength of the communists lies in the fact that both the party and the government are presumed to take the responsibility for ending the lag in agriculture and industry.

If a state is to be judged by the opportunity for creative development given its citizens, then one must commend the soviet state. This opportunity has been emphasized by such widely diverse writers as Maurice Hindus and Theodore Dreiser. Many of the foreign observers of matters Russian have felt that this appeal to the powers of the young people is the greatest strength of communism. Vasilevsky's book, The Land of Inventors, shows this same trend carried into the factory and farm. The technical creation of the working masses has increased with the development of the five year plans and one feels that the whole mass of the population is organized for the work of construction.

To those who are interested in the split of the Russian Social-Democrats, Badayev's Bolsheviks in the Tsarist Duma will give a lively descripiton of an important period in Menshevik and Bolshevik history. The author was a metal worker, a fighter in the Old Bolshevik Guard. In 1912 he was elected by the Petrograd workers to the Fourth State Duma. The struggle of the Bolsheviks was not only against the Tsar's government, but against the Mensnevik opportunists and advocates of a bourgeois labor party under Trotsky's leadership. This book has been reprinted from the imported matrixes of the original English translation.

Material on the Five Year Plans has been presented by foreign journalists and writers in all types of periodicals. This Symposium issued by the Cooperative Publishing Society contains only the reports delivered to the executive organs of the soviet government and the communist party. Through these reports one can get the point of view which the authorities wish to spread in Russia regarding the advance of heavy industry, the liquidation of the kulak, the increase of the collective farm, the defence forces, the financial programme. If, in connection with this symposium, one also reads the various reports to the XVIIth congress of the Leninist party, he gains an extremely valuable insight into the Russian state of mind—a necessity for both friend and foe of the soviet state.

F. M. R.

## The Exploitation of Latin America

*Whither Latin America? An Introduction to Its Economic and Social Problems, by Frank Tannenbaum; published by Thomas Y. Crowell Co., New York City, U.S.A.* 185 *pages.*

For anyone interested in that vast stretch of earth between the Rio Grande and Cape Horn, this book is required reading. And no one who seeks to keep abreast of world politics can neglect Latin America even though he or she may not wish to "major" in it.

Dr. Tannenbaum quickly gets down to fundamentals in this little volume. The entire Latin American area is the least endowed of almost any place in the world in those elements essential for the development of modern industrialism. It has less than one per cent of the total coal resources of the world compared to 40% in the United States. This precludes development of steel industries "which are the very bone and sinew of modern industry." Brazil has extensive iron deposits, —but the ore must be taken to the United States or Europe for conversion into steel. (Heat alone, it should be noted, is not sufficient for making steel out of iron; the reducing power of carbon is essential and that is not to be had without coke from coal.)

South of tropical Brazil in temperate Argentina and Uruguay—"where the population elements are more nearly European and therefore equipped with the type of ambition, training and way of life that would make industrialism both natural and easy"—there is neither coal nor iron nor even adequate forests. Almost all capital saving in Latin America is in foreign hands. Almost all mining, transportation, communication, manufacturing, and merchandising are either foreign concessions or under foreign control. Even meat packing in the Argentine is chiefly in foreign hands.

There are many valuable minerals in Latin America, such as iron, tin, copper, solver, oil and nitrates, but the mineral resources are not balanced enough (as in the United States), and too many essentials are lacking, to provide a sound basis for native industrial development. Thus the area appears to have been designed by nature for imperialistic exploitation until, if ever, that happy day arrives when all men the world over become loving comrades.

One aspect of Latin American economy is that, except for agricultural products such as coffee in Brazil and meat in the Argentine, natural resources are being used up largely for the benefit of other, and more advanced, countries. Also, in consequence of the concession system of exploitation, the countries concerned receive little from their agricultural products.

"Profits from the products represented by the investment, interest on the investment, salaries and wages for management and frequently for labor, either in total or in a large part, are deflected outside of the national economy," Dr. Tannenbaum points out. "If, in addition, we are dealing with products that are being more or less rapidly depleted (such as minerals), then the wages and taxes represent the share the government and the nation is receiving for permitting the gradual exhaustion of its native resources.

"Put in another way, the profits, the interest, the wages and salaries received by foreigners for the exploitation of the resources may be considered as the price which the government and the people are paying for the development, exploitation and exhaustion of the natural resources which the country counts as part of its wealth."

W. B.

## "World Cotton Position" Chart Issued by Wall Street Firm

Economic Associates, 91 Wall Street, New York, are publishers of a series of charts and surveys covering the world's principal commodities, among them cotton, wheat, silver, rubber, coffee and cocoa. A chart of special interest in this part of the world is that entitled the "World Cotton Position," depicting the dominant factors during the past 40 years. The course of production, prices and consumption are clearly indicated. The price of the "World Cotton Position" Chart, postpaid is U.S.$1.00. The same firm has also issued a Cotton Survey, with particular reference to the American crop.

## Grover Clark Joins Staff of "Current History"

Grover Clark, for many years engaged in newspaper and magazine work in China, will in future have charge of the department on Far Eastern affairs which appears in the monthly issues of *Current History Magazine*, which is published by the *New York Times*. Since his return to America four or five years ago Mr. Clark has devoted himself to writing and lecturing. Tyler Dennett, who formerly conducted the Far Eastern department in *Current History*, has been appointed President of Williams College.

## Shanghai Directory, 1934

*The Shanghai Directory. City Supplementary Edition to the China Hong List, Revised and Corrected to July,* 1934. *North China Daily News and Herald, Ltd.*

This volume appears in its usual red binding, carefully compiled and excellently printed, following the time-honored make-up of the China Hong List. Firms are first of all listed alphabetically, with their Chinese hong names, telephone and telegraphic addresses together with lists of employees and agencies. There is an Agents Directory in which appears an alphabetical list of agencies held by firms in Shanghai. The "Who's Who's "contains not only a list of foreign residents but also of prominent Chinese arranged alphabetically, giving their business addresses. Residents are once more listed according to their residential addresses. The Street Directory gives both the business and residential addresses arranged alphabetically according to streets and in numerical order. The price is $6; with map, $7.

## Customs Reference Library Issues Catalogue

The Customs Reference Library, 1714 Sinza road, Shanghai, has issued a complete catalogue of books in European languages, up to Dec. 31 last. The calalogue covers all books and pamphlets in the English language, but does not include certin Customs publications which are for the present not accessibleto the general public. The books on China cover an extremely wide range. In addition there are books on general subjects, fiction, etc.

## A Vade Mecum for Shanghai Investors

*Bissett's Shanghai Stocks and Shares, June, 1934. Compiled by J. P. Bissett & Co.*

This is a very welcome book for Shanghai investors, and partly fills the breach caused by the discontinuance of the China Stock and Share Handbook, formerly published by C. R. Maguire. The publishers are one of the principal share broking firms in Shanghai—established in 1869. The book appears just at the time when the Shanghai investment market is particularly active. The index shows that there are more companies listed under the heading "Plantations"—which in most cases means, rubber—than under any other classification. These plantations are not situated in China but in the Straits, Netherlands Indies, etc. The shares are however, mostly held here. Rubber shares have been increasing in value rapidly of late and investors can keep "tabs" on the various estates by referring to this volume. E. S. Wilkinson has contributed a preface.

## Student Leaders Conference to Meet in Shanghai Commencing July 30

A Student Leaders Conference of the Pacific Area Counci will be held in Shanghai July 30 to August 4, to be followed with "special days" August 5, 6, 7 and 8. Representatives have been invited from Australia, China, Hawaii, Japan, New Zealand, Philippine Islands, Siam and the United States. A wide range of subjects will be discussed, including race and sociology, civil and political affairs, relegions, etc. The "special days" will be devoted as decided by the delegates in preliminary meetings. Arrangements have been made to secure contacts with leaders in economic, governmental, educational and sociological affairs. Plans will be discussed also for the holding of Pacific Student Conferences in Hawaii, Japan, China and Manila during June, July and August of next year. The general direction of the conference is in the hands of the World Council of Youth, of which Ray A. Cromely is the chairman; address, 1411 East Ninth Street, Long Beach, California. Further information may be had by addressing Miss Francis E. Condit, secretary, Bethel Box 533, Shanghai.


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# Text of Dr. L. Rajchman's Report on League Co-operation with China

*(Continued from last week)*

11.—The road-building programme of the National Economic Council for 1934 is the following:—

The Seven--Province Highway Scheme described above is to be continued, and as a result of the road building operations scheduled for the year some 4,800 kilometres of motor road will be incorporated into the inter-provincial highway system. A start is also to be made in extending this system to other provinces, and in 1934 it is proposed for this purpose to build 691 kilometres of highway. Roads will also be built in Shensi and Kansu in connection with the programme for rehabilitation of the North-West. One of these is the Lanchow-Kulang section of the Lanchow-Huchow line, and another the Sian-Hanchung line. It is proposed also to complete the improvement of the highway between Sian and Lanchow. In view of the general importance of this highway, the National Economic Council has made arrangements with the two provinces for operating a bus service between Sianfu and Lanchow, and an appropriation has been set aside for the purpose in the budget. This road, stretching between Sianfu, capital of Shensi, and Lanchow, capital of Kansu, represents an important sector of an historic highway connecting Central China with the populous areas of Central Asia and beyond. It is along this route that the silk caravans were despatched to Asia Minor for trade with the Western world.

Owing to the distressed state of the province it is proposed that the Council should in this case depart from its usual custom of lending 40% of the cost of road construction, and should itself bear all the expense.

It is intended that the National Economic Council should co-operate with the provincial governments in the appointment of the principal officer in a province in charge of road maintenance. The National Economic Council agrees to pay a part of the salary of these officers and proposes to make appropriations in the Budget accordingly. Offices for supervising the construction of the interprovincial highway are also being maintained by the National Economic Council in the provinces of Hupeh and Kiangsi.

The plan of railway extension contemplates the prolongation in some distant future of the Lunghai railway so as to connect with the Central Asiatic railway system, and through it with Europe. But the intervening gap runs into thousand of miles, and motor-car services will no doubt be in operation long before the railway link is finally completed.

The Roads Bureau had at its disposal from January 1932 the services in its technical work of a representative of the Transit and Communications Organization of the League in the person of Mr. M. S. Okechi, Ministerial Adviser to the Ministry of Public works at Warsaw.

12.—The co-operation of the Transit and Communications Organizations for 1934 is contemplated in the study of the main problems traced by the Roads Bureau, the importance of which has been pointed out above. These include (a) the best type of roads adapted to selected areas; (b) methods of operating the roads; (c) questions of fuel supplies; (d) types of vehicles and engines. The relevant technical documentation will be brought to Geneva by the Chinese delegation to the International Road Congress, and the members of this delegation will examine, with the members of the Technical Commission or individual specialists invited by the Transit Section, the several questions under investigation. Such a study would precede the despatch to China of such experts with an international experience as it may in consultation be found advisable to invite to visit China during next autumn.

On the other hand, the Transit and Communications Section will be requested to arrange facilities at various technical institutes and establishments for experimental study, by Chinese engineers specially commissioned for the purpose, of several questions arising out of the general problem set out above, particularly in regard to fuels and engines.

## CHAPTER VII.—HEALTH

1.—In April 1931 a programme for development of the Central Health Service during a period of three years was drawn up by the National Health Administration and communicated to the League's Health Committee in May 1931. It formed the basis of active and continuous co-operation between the National Service and the International Organization.

The essentials of the three year plan consisted of:

(a) The establishment of the Central Field Health Station and the development of the Central Hospital as a nucleus of the National Medical and Health regard to all major problem of sasitation, preventive services, this station to operate within selected regions with regard to all major problems of sanitation, preventive medicine and medical relief.

(b) The creation of an Experimental Medical School and the enforcement of the few existing national medical colleges of the higher type for the training of suitable officers for later work.

(c) The gradual extension of the National Quarantine Service.

(d) The co-ordination of the various modern centres of public health activities in the country.

2.—As the three-year period terminates at the end of this month, the manner in which the programme was carried out may now be examined.

(A) The Central Field Health Station began to operate in temporary quarters from May 1931. The efficiency of its work required a competent staff and adequate material and laboratory facilities. Training was given in practical matters of public health, of epidemic control, of sanitary engineering, to 50 nurses. More work than could be coped with awaited them. The Yangtze flood of 1931, the cholera epidemic of 1932, which spread to 300 cities in 20 provinces, Red Cross work during the period of hostilities, as well as increasing demands for organizers from provinces and municipalities, have absorbed the personnel as soon as it was available. Up to the end of 1933 the League has given facilities to 25 members of the Station and the affiliated organizations for study abroad qualifying them for teaching and directing posts of responsibility after their return home.

The production of vaccines and sera was developed in Peiping and Nanking, the output being 25,000 litres of an approximate market value of $1,000,000. Essential drugs were produced at the headquarters in Nanking for public hospitals and dispensaries to the value of $100,000.

Plague, malaria, and parasitic diseases were taken for serious study at specially equipped departments and field stations at headquarters and in nine provinces and 35 localities (in Chekiang, Kiangsu, Honan, Shensi, Hupeh, Anhwei, Hopeh and Shantung). Health centres were established at 20 places in six provinces. Midwifery schools and maternity centres were opened at 10 places in seven provinces. A special workshop was rapidly built up for the mass production of health propaganda exhibits, of which 1,315,000 were produced to the value of $82,000.

Adequate laboratory facilities were provided in the new building. The detailed elabration of its plans had taken almost a year, and the construction another twelve months. The building, which compares favourably with any of this type, was completed in August 1933, and by October of the same year all its parts were in full operation. The total cost of the building and equipment was about $600,000.

(B) The Central Hospital was started in temporary wooden buildings in January 1930. The plans for the permanent building were finally approved in the spring of 1931. The construction started in September 1931, and in spite of four months' interruption during the Japanese war in 1932 the new imposing building was completed and the new clinics opened in June 1933. It has a capacity of 340 beds, a large out-patient department, and a centralized operating section. During 1933, 71,527 out-patients and 5,347 in-patients (77,645 hospital days) were attended and 3,220 surgical operations performed. A School of Nursing and a Central Midwifery School are attached to the hospital. Through a system of interneship, 108 young doctors were trained for service in public hospitals and clinics. The total cost of the hospital, including equipment, was $260,000.

(C) The Quarantine Services which were inaugurated in July 1930, following consultations arranged by the League with a special international committee representing the Public Health Services of the chief maritime countries and delegates of the International Chambers of Shipping, had operated in 1931 six ports with a technical staff composed of 19 officers. At present the volume of the work at Shanghai, Wuhan, Amoy, Taku-Tangku, Tientsin and Chingwangtao has greatly increased and the service expanded to 24 trained officers, of whom seven had benefited from facilities offered by the League at various ports in adjacent regions, as well as in Europe and the United States.

(D) The participation in field activities in the country is manifested by public health work in nine provinces and 35 localities.

The Central Field Health Station had to undertake also the preparation of sera and vaccines for the control of animal disease in response to urgent demands from the North-Western provinces, which in the last two years suffered the loss of 2,500,000 head of cattle and of sheep.

Financial stringency prevented the creation of the new medical school and an active intervention for improvement of medical education.

The headquarters and field work is being carried out on a modest annual appropriation of $500,000. The Health Service participates in the work of other branches of the National Economic Council. Thus it ensures medical and epidemiological supervision in connection with road-building and relief measures. But above all it performs a truly pioneering service in rural districts, where the need of its manifold activities is felt more acutely than in many other countries. Where constructive rural rehabilitation encounters grave political, administrative, and financial difficulties for its realization, the health and maternity centre, the welfare of the child, the centre of contagious disease and the medical relief can be and are brought into play rapidly, efficiently and economically by a devoted and competent staff.

Dr. B. Borcic continues to be closely associated with the technical activity of the Central Field Health Station. Dr. Stampar's inspiring field surveys give new significance to the conception of rural reconstruction, and meet with particular appreciation of the leaders of the National Economic Council.

*(To be continued)*

## Ceylon Refuses to Invoke Quota Against Japanese

The British Secretary of State for the Colonies, Sir Philip Cunliffe-Lister, informed the House of Commons July 16 that necessary action had already been taken by the great maiority of British Colonies, which had been invited to introduce a system of quota restriction of imports of foreign piece goods. Apart from action as to textile quotas, special duties had been imposed in the West African colonies on imports of certain of the manufactured goods from Japan. The application of the quota will materially restrict imports from Japan in favor of Britain. Ceylon, however, has refused to introduce the quota on the ground that it would increase the cost of living for the populace. The Ceylon attitude is that the Home Government must take the responsibility for invoking the quota, if it decides on such action. The labor party in Ceylon threatens a complete boycott of British goods if the quota is enforced.

The Netherlands commission of cotton industry which has been investigating the advisability of transplanting the cotton spinning industry in the Netherlands to the Netherlands East Indies, has reached the conclusion that there is no hope of successfully establishing spinning and weaving factories in the islands.

A London message July 20 stated that as it had not been found possible for the present to conclude a full commercial agreement between the United Kingdom and the Netherlands, the negotiations were terminated by an exchange of notes. It is provided that, from August 1, 1934, each government resumes its liberty of action as regards Customs duties on imported goods without prejudice to the provisions of the treaties and agreements already in force between them.

By mutural arrangement between the Japanese and British Governments, the new commercial treaty between Japan and India, was officially promulgated July 23, at Tokyo, London and Simla simultaneously. An annex to the treaty stipulates that as against the export of one million bales of raw cotton from India during the current cotton year, the importation of Japanese cotton piecegoods shall be 325,000,000 yards.

One of the results of the Dutch-Japanese trade negotiations now in progress in Batavia may be that Japan will import crude oil from the Netherlands Indies instead of the finished product from Malaya. Japan in recent years imported from 130,000 to 140,000 tons of kerosene from the Straits Settlements annually, the value being about Yen 30,000,000. But oil is not produced in the Straits Settlements. The crude oil is imported into that country, refined and then exported to Japan. Moreover, up to 90 per cent of the crude oil supply is sought in the Netherlands Indies.

## City of Greater Shanghai to Increase Auto License Fees

The City Government of Greater Shanghai is planning to increase the license rates for all vehicles in Chinese-controlled areas by 25 percent commencing September. The increased scale, if carried out, will mean an additional revenue of $240,000 to the City treasury. Revenues from vehicle licenses are pledged as securities for the $3,500,000 bonds recently issued by the City Government of Greater Shanghai.

## Publicity and News-Contracts

(*Japan Chronicle, July* 17)

The movement of American news magnates always seems to be considered front-page news in Japan, and they receive vastly more publicity than ever they do in their own country. But a corner of the veil was lifted the other day when a Japanese news man disclosed the fact that these visits are a good deal concerned with selling news. It is put good and straight to Japan that it would be best for her, when she is buying news, to buy what the distinguished visitor has to offer. And not only does the bluff work, but there is oceans of free publicity besides. It's a wonderful world.


### How to Keep Your Skin Fresh and Clear in Summer.

Pimples and other facial blemishes are unsightly at the best of times, but especially so during the summer months when the gay, bright colours of your clothes attract the eye. The first essential in order to have a clear fresh skin is to avoid constipation, for it is the poisons escaping from a congested food tract into the blood stream which cause boils, pimples and other facial blemishes.

Pinkettes, the tiny laxative pilules, will keep you regular, aid digestion, tone up the liver, banish biliousness and sick headaches, make the breath pure and sweet, prevent boils and pimples, and keep you hale and hearty. Non-habit-forming and non-griping, Pinkettes are the ideal laxative. Obtainable at all chemists.

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## Britain Accepts Turkish Apology for Samos Incident

Twelve British warships proceeded to Samos Island in the Mediterranean last week to search for the body of Surgeon Lieutenant Robinson who was shot by a Turkish customs guard who said they mistook him for a smuggler. Foreign Secretary Simon in the House of Commons July 23 stated that Britain had decided to accept Turkey's apology and explanation of the incident. The incident coincided with another in which Turkish guards are alleged to have entered the tent and stolen some of the belongings of Dr. Borden, an American professor.

## Nanking Investigator Makes Study of Shanghai Insurance Companies

Tang Chi-yen, departmental chief in the Ministry of Industry, arrived in Shanghai last week from Nanking, armed with instructions and letters from the Ministry to make a detailed study into the business conditions of all insurance firms, foreign and Chinese, in Shanghai. Mr. Tang called on the local Chinese Chamber of Commerce, the Chinese Insurance Companies Association and also foreign insurance companies with a view to finding out exactly how these firms are being operated. The remarkable development in the insurance business in China and particularly in Shanghai is said to have aroused the attention of the Chinese government, especially as to whether their operations are carried on in conformity with the Chinese laws governing the insurance business.


## No Energy!—No Appetite!

Truly a sorry state to be in and one all too common now-a-days. That tired feeling when you get up in the morning, no appetite for meals, nervous irritability all day long, and then again that feeling of exhaustion when the day's work is done, but indifferently compensated for by fitful restless sleep.

Undoubtedly there is something wrong, but what is it? The root of the trouble almost surely lies in impoverished blood and run down nerves.

Poor appetite, which is generally accompanied by headaches and loss of energy, can be overcome by taking a tonic which is specifically designed to build up and increase the blood stream. Good rich, red blood helps the digestive organs in their work by supplying them with the strength they need. There are many tonics sold nowadays, but none has a better reputation for creating rich, red blood than Dr. Williams' Pink Pills, which for the past fifty years has been universally acclaimed as the perfect tonic in cases of anaemia and debility.

Dr. Williams' Pink Pills are the prescription of a distinguished physician, an M. D. of Edinburgh University, and their efficacy has been endorsed over and over again by members of the medical profession.

Don't let anaemia undermine your constitution when you have a remedy always available to purify and enrich your blood. Take a course of Dr. Williams' Pink Pills and you will soon feel the good effects of this health-giving medicine. Obtainable from all chemists.

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**The National City Bank of New York, Rates of Exchange**

Shanghai, July 25, 1934

| | |
|---|---|
| Demand selling rate on America: | U.S.$100=Sh. $ 2.96 |
| Demand buying rate on America: | U.S.$100=Sh. $ 2.93 |
| Demand selling rate on London: | £1.0.0=Sh. $15.00 |
| Demand rate buying on London: | £1.0.0=Sh. $14.76 |

## Latest New York Stock Exchange Quotations

Market—Very Dull. Business Done 400,000 Shares

July 25, 1934

| 1933-34 High | 1933-34 Low | Div. $ per Sh. | STOCK | Mon. July 23 | Tue. July 24 |
|---|---|---|---|---|---|
| 4 | 3 | — | Adams Express | 7¼ | 7⅛ |
| 13¾ | 11⅛ | 0.60 | Alaska Juneau | 19 | 18¾ |
| 33 | 70¾ | 6.00 | Allied Chemical & Dye | 131¼ | 129 |
| 160 | 19½ | 4.00 | American Can | 96¼ | 95 |
| 107⅛ | 5⅞ | — | American & Foreign Power | 5⅝ | 6 |
| 19⅜ | 3½ | — | American Metal Company | 19⅞ | 19½ |
| 27¼ | 10¾ | — | American Smelting | 37 | 35½ |
| 53½ | 86½ | 9.00 | American Tel. & Tel. | 112½ | 112 |
| 184¾ | 50¾ | 5.00 | American Tobacco "B" | 74½ | 75 |
| 94¾ | 10⅞ | 1.00 | American Waterworks | 16¼ | 16 |
| 48¼ | 5 | — | Anaconda Copper | 11⅝ | 11¼ |
| 22⅞ | 5⅞ | — | Atlas Corporation | 8¼ | 8⅞ |
| 18⅝ | 31 | 2.00 | Auburn Automobiles | 21 | 20½ |
| 84¼ | 8¼ | — | Baltimore & Ohio | 17¼ | 17¾ |
| 37⅜ | 10⅜ | — | Bethlehem Steel | 28 | 27⅝ |
| 49½ | 18 | 1.60 | Borden Company | 26 | 26 |
| 37⅞ | 5½ | 0.25 | Borg Warner | 20 | 19½ |
| 28½ | 7½ | — | Canadian Pacific Railway | 13⅛ | 12⅞ |
| 20⅞ | 30½ | — | Case, J. I. | 44⅞ | 40 |
| 103½ | 16⅝ | 1.40 | Chase National Bank | 25¾ | 25⅝ |
| 47⅞ | 14⅞ | 2.50 | Chesapeake Corporation | 42 | 41⅜ |
| 52½ | 7¾ | 1.00 | Chrysler Corporation | 35¾ | 35⅝ |
| 59 | 9 | 0.50 | Columbia Gas & Electric | 9⅛ | 9¼ |
| 28½ | 1⅜ | — | Commonwealth & Southern | 2 | 1¾ |
| 6½ | 34½ | 3.00 | Consolidated Gas of N. Y. | 30½ | 30½ |
| 64⅜ | 4⅞ | — | Continental Oil | 17½ | 17½ |
| 22½ | 2⅝ | — | Coty Inc. | 5 | 4¾ |
| 9 | 1½ | — | Curtiss Wright Company | 2¼ | 2¼ |
| 5⅛ | 32⅛ | *2.00 | Du Pont de Nemours | 87⅛ | 86½ |
| 103⅞ | 46 | 3.00 | Eastman Kodak | 97½ | 97½ |
| 100¾ | 10 | — | Electric Bond & Share | 11⅝ | 11⅝ |
| 41⅝ | 3⅛ | — | Electric Power & Light | 3⅞ | 3⅞ |
| 15⅝ | 12 | — | Fox Film "A" | 8¾ | 9½ |
| 19 | 2⅞ | — | General Aviation | 4¼ | 4 |
| 10¾ | 10½ | 0.40 | General Electric | 18⅜ | 18½ |
| 30¼ | 21 | 1.50 | General Foods | 31½ | 31 |
| 39⅞ | 10 | *1.00 | General Motors | 28½ | 28⅛ |
| 42 | 13¼ | 1.00 | General Railway Signal | 30 | 28¾ |
| 49½ | 12 | 1.20 | Gold Dust | 18 | 18 |
| 27⅜ | 9¼ | — | Goodyear Tire & Rubber | 22⅝ | 21⅝ |
| 47½ | 6½ | — | International Cement | 22 | 22 |
| 40 | 12⅝ | 0.60 | International Harvester | 30½ | 29 |
| 46⅛ | 6¾ | — | International Nickel | 24½ | 23⅞ |
| 29 | 5⅛ | — | International Tel. & Tel. | 10 | 9⅝ |
| 21¾ | 21¼ | — | Johns Manville | 46⅛ | 45½ |
| 66⅝ | 7⅜ | — | Kennecott | 19⅛ | 18⅝ |
| 26 | 37½ | 2.40 | Lehman Corporation | 67½ | 68½ |
| 79⅜ | 49¼ | *4.00 | Liggett & Myers "B" | 95 | 96½ |
| 99⅜ | 8½ | 1.00 | Loew's Inc. | 23½ | 23⅛ |
| 36½ | 10⅜ | 1.20 | Lorillard P. (Com.) | 17⅛ | 17¼ |
| 25¾ | 8⅝ | — | Montgomery Ward | 26 | 24⅝ |
| 35⅝ | 16⅞ | 1.00 | National City Banks (bid price) | 24¾ | 24⅝ |
| 64½ | 5⅝ | — | National Distiller | 17⅞ | 18 |
| 41⅝ | 14 | — | New York Central | 21¾ | 22 |
| 58½ | 12¾ | 3%S | North American | 14⅜ | 14 |
| 36½ | 31½ | 2.00 | Owens Illionois Glass | 69¾ | 69 |
| 96¾ | 15 | 1.00 | Pacific Gas & Electric | 16⅜ | 16⅜ |
| 31⅞ | 1¾ | — | Packard Motors | 3 | 2⅞ |
| 6⅞ | 13¾ | 0.50 | Pennsylvania Railroad | 26½ | 26 |
| 42½ | 1¼ | — | Pennroad Corporation | 2⅛ | 2⅛ |
| 6¾ | 4¾ | — | Phillips Petroleum | 15½ | 15¾ |
| 20⅝ | 3 | — | Radio Corporation | 4⅞ | 4⅝ |
| 12¼ | 26½ | 3.00 | Reynolds Tobacco "B" | 45½ | 45½ |
| 54¼ | 12½ | — | Sears Roebuck | 40¾ | 39½ |
| 51¼ | 6 | 1.00 | Socony-Vacuum Corporation | 14½ | 14½ |
| 19½ | 14¼ | 2.00 | Southern California Edison | 14¾ | 14½ |
| 28 | 5½ | — | Standard Gas & Electric | 7¼ | 7 |
| 22½ | 22¾ | 1.00 | Standard Oil Co. of N. J. | 42⅛ | 42¾ |
| 50⅛ | 45¾ | 3.80 | Sterling Products | 63⅛ | 63½ |
| 61¾ | 1½ | — | Studebaker | 2½ | 2⅛ |
| 9 | 10¾ | 1.00 | Texas Corporation | 22¼ | 22 |
| 30⅛ | 2⅝ | 0.12 | Transamerica | 6 | 6 |
| 9⅜ | 19¾ | 1.00 | Union Carbide & Carbon | 40⅜ | 40 |
| 51⅞ | 61¼ | 6.00 | UnionPacific | 111¼ | 109½ |
| 133⅞ | 16½ | — | United Aircraft & Trans. | 14⅜ | 14⅜ |
| 46⅞ | 4¼ | — | United Corporation | 4 | 4 |
| 14¼ | 13⅞ | 1.20 | United Gas Improvement | 15¼ | 15 |
| 25 | 2⅞ | — | U. S. Rubber | 13 | 12½ |
| 25 | 22⅝ | — | U. S. Steel | 36 | 35⅝ |
| 67½ | 21½ | *2.00 | Universal Leaf Tobacco | Unq. | 21¾ ? |
| 51½ | 19¾ | — | Vanadium | 16¼ | 16⅞ |
| 31¾ | 25¼ | — | Warner Bros. Pictures | 3⅝ | 3⅝ |
| 9¼ | 7¼ | — | Westinghouse E. & M. | 35½ | 35½ |
| 58¾ | 23⅜ | 2.40 | Woolworth | 49 | 48⅞ |
| | | | PREFERREDSTOCKS AND BONDS | | |
| 54⅞ | 35 | none | American & Foreign Power 7% Pfd. | 16½ | 16 |
| 44⅞ | 25 | 5.00 | Amer. & For. Power 5% debs. of 2030 | 51¾ | 52 |
| 59½ | 25 | 6.00 | American Waterworks $6 preferred | 75 | 75½ |
| 80 | 18 | 5.50 | Cities Service Power & Light 5½s/52 | 44¾ | 45 |
| 48½ | 34 | 6.00 | Electric Bond & Share $6 preferred | 48½ | 48½ |
| 66 | 35 | 4.50 | Int. Tel. & Tel. conv. 4½s of 1939 | 67⅞ | 67 |
| 69¾ | 91½ | 5.00 | New England Gas & Electric 5s 1947 | 57 | 57 |
| 65½ | 44¾ | 6.00 | Standard Gas & Elec. 6% notes 1935 | 92 | 4¼ |
| *Plus extras | | | CALL MONEY | 1% | 1% |

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